Give to the utmost; NOW!

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXIV · Member of Audit Bureau of Circulations · PUBLICATION OFFICE: TORONTO, OCTOBER 5, 1940 · 10c a Copy; $5.00 a Year · No. 40

The Nation's Business

Co-ordinated War Effort Must Start at the Top

This week, The Financial Post talked to the plant manager of a firm engaged in the most vital kind of war work—aircraft production.

Surprisingly, we were told that young men in this plant were being released for the "draft."

The plant manager felt the "draft" was so important that he should do everything possible to let these young men get 30 days training at an army camp.

He hoped, of course, that not too many of them would join the army permanently. (Hon. James Gardiner expects at least one in eight will join up with C.A.S.F.)

* * *

This incident reveals a serious weakness in Canada's war effort.

The weakness is the lack of a clear-cut, co-ordinated war programme—a programme under which first things—the things most likely to ensure quick and certain victory—are put first.

* * *

The judgment of competent military experts leaves no doubt that the 30-day training plan has little to commend it as of immediate military value.

If Canada's war need calls for more men in the armed forces, then let us get those men as quickly as possible into uniform—train them thoroughly and swiftly.

Such training, to be effective, would last not 30 but possibly 300 days. At the end—or to meet any intermediate or emergency call—there would be soldiers ready and competent to win mastery in modern mechanical warfare.

* * *

A 30-day plan is neither one thing nor the other.

It does not make soldiers, yet it may seriously hamper other more vital phases of the war effort.

It becomes a menace to national security if it takes men from an industry as vital as aircraft production.

* * *

Confusion in purpose and plan need not arise if Canada's war effort is co-ordinated at the top.

This co-ordination could be either by a war cabinet or by some coordinating authority competent to bring into focus every part of the war programme.

Cabinet ministers weighed down with departmental responsibilities cannot give this type of leadership. Loyalty to their own department makes independent judgment on the war programme as a whole difficult if not impossible. Also, when Parliament is in session their energy and attention is diverted by attendance in the House, departmental estimates and so forth.

At a time when every part of the nation faces increasingly great sacrifice, there must be no possibility of fumbling at the top, no opportunity for confusion of objectives and programme, no conflict as between secondary or long-term needs, and needs which are of prime importance to the present war effort.

When men are moved from aircraft production into 30-day camps, the war plan is being fumbled.

* * *

Government Officials Tell Their Story

This week at Toronto, 1,100 businessmen and sales executives had an opportunity to exchange views and opinions at first hand with important governmental officials.

The questions were asked by members of the Toronto Advertising and Sales Club. The answers were provided by Hon. J. L. Ilsley, Minister of Finance; David Sim, Commissioner of Excise and a member of the Wartime Prices & Trade Board; Harold Crabtree, president of the government-owned munitions corporation, Allied War Supplies, Ltd.; Alex McD. McBain, Intelligence Officer, Foreign Exchange Control Board.

This quiz programme was notable for at least two reasons.

1. It gave a large and representative audience of businessmen a chance to see for themselves the human and helpful side of Canada's cabinet ministers, civil servants and dollar-a-year men.

The frank exchange of views inspired confidence and admiration for those who are tackling the tough job of wartime administration.

2. The interviews produced important information of great value to businessmen in formulating sales and production policies under wartime conditions.

Those who listened to the interview came away with a lot of useful information and with a better knowledge of the principles governing war administration and control.

* * *

Such direct interchanges of views with groups of businessmen might well become a regular feature of

(Continued on page 2, col. 4)

Labor Co-ordinator Seen Likely Move

Drastic Action Predicted as Ottawa Sees Prompt Action Necessary to Avoid Serious Shortage in War Industries

From Our Own Correspondent

OTTAWA. — An important new labor policy affecting war industry in Canada is in the making.

After much indecision and procrastination it is now realized that something must be done and done quickly to avoid a serious shortage of skilled labor and to ensure an adequate flow of qualified industrial manpower into the huge new armament programme now in the making.

What now seems likely is that some sort of labor administrator will be appointed. He will be given very wide powers to prevent "stealing" of skilled workers between different industries.

He will be given power to prevent disruption of essential industry by withdrawal of workers into "the services" or into non-essential trades.

He will probably be given power to fix maximum wage scales in war-stimulated industry.

Just how drastically these powers will be given and used will depend partly on the collective courage of the Cabinet and the Prime Minister in facing the wartime labor situation; partly on the factual evidence now being collected as to the real nature and extent of the labor shortage.

Britain and Australia have already faced the problem and have given competent authorities adequate power to deal with such problems as those outlined above. As yet no controlling body with authority to act has been created in Canada to handle labor problems.

Labor to be Budgeted

Irrespective of how far the Government will go, the broad principle which underlies the present approach is that Canada's labor supply must be "budgeted" just as supplies of essential materials — steel, coal, fuel, power, machine tools and the like are now being budgeted.

No one knows for certain just now, but "educated" guesses suggest that between 90,000 and 100,000 men and women of varying degrees of skill will be required to serve the new plants and plant extensions now under way as part of the munitions and supply programme.

An equal number of new workers will be required for allied industries —transport and so forth—which are essential to "service" new war plants themselves.

In all as many as 250,000 men and women — possibly an even greater number—will be needed in the next three to twelve months merely to operate and service new plants and plant extensions.

This is quite apart from the increased demand from existing plants engaged in war production.

Huge Job Ahead

To know and control this huge labor problem requires not only coordination at the top but an immense amount of organization in every part of the country.

It is not enough to ascertain by questionnaire just how many men are at work on a given day or how many may be employed a month or two hence. This, of course, is important and steps are now being taken to ascertain such facts.

But proper solution of the labor problem requires local labor officers in every community — perhaps in every plant.

These men must know exactly how many men will be needed, how many must be trained. Their knowledge must be co-related with facts as to the number and quality of skilled workers available in nonessential industries, the number of unemployed, the number and type of youth and others receiving training either in government or private shops.

As in the case of commodities there will be no disposition to exercise drastic control powers unless other methods fail. First, it is essential to know the facts. When these facts are known, then decisions can be made as to what sort of action is necessary to get results.

There is every indication, however, that an entirely new and more drastic labor policy than Canada has so far experienced will be forthcoming very shortly.

Sask. Refunded Until 1942

$3 Millions Maturity Replaced by Issue of Lower Interest

Refunding this week at a lower interest rate of a $3 millions 6% Saskatchewan issue, which matured Oct. 1, is expected to take care of all the province's refunding requirements for nearly two years. The present financing is the second major obstacle hurdled by the province this year, and represents the completion of $7.5 millions of refunding in three months.

Announcement of the deal was made in Regina by Hon. W. J. Patterson, premier and provincial treasurer. The new issue of $3 millions carries a coupon of 4% and matures July 1, 1942. This is the same maturity as $4.5 millions of refunding arranged July 1, when a 4% issue was replaced by new 4% bonds, so that the next refunding will be $7.5 millions on July 1, 1942.

The only issue maturing prior to July 1, 1942, is $2.1 millions 4½% bonds due April 15, next. It is reported these bonds all are held by various Saskatchewan provincial funds. No problem will be presented, therefore, in issuing new certificates to cover them.

The present refunding was arranged through a syndicate composed of Dominion Securities Corp., A. E. Ames & Co. and Wood, Gundy & Co. It is hailed by investors with considerable enthusiasm, as the Saskatchewan situation has been a cause of considerable concern during a year of exceptionally heavy maturities.

Removal of the cloud of possible default from the horizon for the period of at least another 21 months is particularly welcome in a time of war when so many other pressing and immediate problems occupy the attention of government officials. It is doubly welcome in view of the problem faced by the West this year in storing the bumper grain crop.

English Electric Orders at Peak

English Electric Co. of Canada has a backlog of orders about 100% higher than at Aug. 31, 1939, The Financial Post is officially informed.

The company has been working to capacity for the last several months and monthly orders booked have exceeded shipments each month. The result is that unfilled orders at present are said to be probably higher than at any previous date in the company's history.

About 75% of the orders on hand are due to war efforts being put forth by the company's customers who require additional motors, transformers and switchgear equipment.

RadioNewscast Plan Evolves

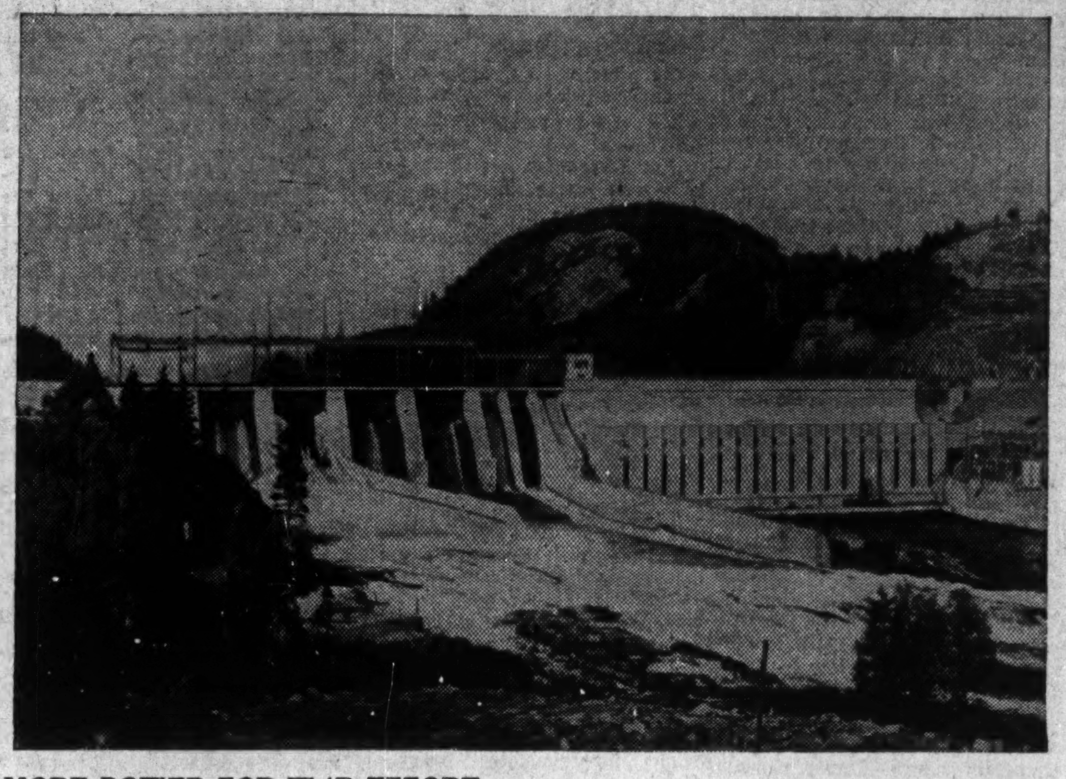
CBC Likely to Set Up Regional News Bulletin Bureaus

From Our Own Correspondent

OTTAWA.—Local CBC news bureaus at key points across Canada, to ensure rapid broadcast of news in different localities and to cope with regional time differences, will likely supplement the central organization planned for the collection, preparation and distribution of radio news by the CBC itself.

The governors of the Canadian Broadcasting Corp. and the directors of the Canadian Press have been seeking to work out the long proposed revision of radio news broadcasting. Agreement is reported reached on the basic new principle that the CBC should assume full

(Continued on page 2, col. 7)



MORE POWER FOR WAR EFFORT

General view of the LaTuque plant of the St. Maurice Power Corp. which came into production this month when the first 44,500 h.p. generators were synchronized to the transmission system of Shawinigan Water and Power Co. A third will come into production about the middle of this month, while a fourth unit will be operating in December completing present stage of development, and bringing capacity of the plant to 178,000 h.p. The plant is designed to accommodate two additional units or six in all of the same size. The company is jointly controlled by Shawinigan Water and Power Co. and Brown Corp. Construction has been handled by Shawinigan Engineering Co. Costs have been less than estimated.

Auto Firms Can Meet Both War, Civil Needs

Suggested Curb on Regular Production Would Disrupt Industry and Hobble War Work, Says General Motors of Canada Head

The Canadian automotive industry is serving such a tremendously important dual function in the Dominion's war effort that any interference with its scope or normal operation might seriously prejudice its entire industrial contribution to the war, in the opinion of R. S. McLaughlin, President of General Motors of Canada.

"The manufacture of army vehicles of the modern type is an operation entirely different from the production of passenger or commercial vehicles," Mr. McLaughlin told The Financial Post, "so that they do not interfere with one another in the slightest degree. The two types of vehicles have absolutely nothing in common—not even a shaft, a wheel or any part other than the engine.

"Here we have an industry which is capable of manufacturing hundreds of the latest type army vehicles every day of the week, and at the same time capable of turning out its full peacetime quota of passenger and commercial vehicles.

"It is obvious that any proposal to discriminate against its output for civilian use is not only unjustified, but actually is likely to produce the very result which it seeks to avert —namely, the impairment of the war effort.

"All the facilities of our industry suitable for the manufacture of war vehicles have already been turned to that purpose, and the present and potential production of these military units is far beyond the comprehension of the general public.

"Great new plants have been constructed, increasing the military output to the maximum, and the payrolls and production schedules of Canadian automobile firms have been expanded out of all resemblance to normal levels. In other words, our industry is running at top gear on behalf of the Empire.

"As final proof of the loyalty of our industry and its determination to back our country to the limit, I can only add that if at any time all our General Motors buildings, all our assembly lines and all our men should be needed for military production, the Government will only have to ask once.

Oppose Curtailment

"Surely the fact that in addition to this almost incredibly rapid production of war vehicles we are continuing to supply the people of Canada with all the cars and commercial vehicles they need, is something of which we should be proud. More than that, it is something which should be encouraged, not curtailed.

"Consideration must be given to the great army of employees who would suffer if the dislocation or throttling of our automotive industry were attempted or achieved. In our own company we have 12,000 factory employees, hundreds of dealers and many thousands of other workers and dependents—all looking to General Motors for the maintenance of their normal scale of living.

"Any suggestion of unwarranted interference with our output of passenger and commercial vehicles would not only be an undeserved blow at an industry which is forming the very backbone of our industrial war effort, but might easily have a disrupting effect on our wartime industrial stability and civilian morale."

See No Hobble On Advertising

Ottawa Frowns Only on Excessive Budgets to Evade Taxes

As business firms plan their budgets for 1941, they are seeking to apply the Government's plea against excessive increases in advertising appropriations, executive salaries and bonuses. The plea came in the last budget speech of the Minister of Finance when he introduced the revised "excess" profits legislation.

Last week The Financial Post reported that authorities did not intend to issue any formal regulations in connection with advertising budgets. Rather it was the intention of the Government to deal with each case individually. A decision as to whether or not a firm was increasing its advertising budget merely for purposes of tax evasion would depend upon all the relevant circumstances.

Justifiable Increases

Among advertising and businessmen who have been in touch with authorities there is confidence that increased advertising appropriations for the coming year will be thoroughly acceptable to the Government, in any case where they may be regarded as justifiable on sound business grounds.

Where a firm wishes to increase its advertising appropriation in step with its expected increase in business; where a new product or line is to be introduced, or where there is new competition to be countered, tax authorities will be prepared, businessmen are confident, to accept reasonable increases.

Bar Tax Evasions

It is suggested that the only increases in appropriations for this purpose which will not be so accepted by the authorities, are those in such cases and of such amounts that they constitute in the official

(Continued on page 2, col. 5)

The War And Business . . A Weekly Round-up

Programme Expands

Some weeks ago this column reported that Canada's munitions and supply programme had reached a new stage.

The feverish rush to place orders and make new contracts had spent itself. Canada had reached what was thought to be the reasonable limit of new productive facilities. Instead of being concerned with more business, more plant expansion, etc., the primary job was one of turning blueprints into production— guns, tanks, planes, ships, shells, and automotive transport.

Within the past few days there has been a further significant change in policy.

* * *

A huge new programme for a certain type of armaments—estimated to cost at least $150 millions —has been undertaken by the Government in the clear knowledge that it is a programme far in excess of what Canada might reasonably be expected to undertake.

In other words, this and other new commitments now being made are of such a magnitude that they cannot possibly be carried out without a diversion of tools, workers, materials and supplies far beyond anything previously contemplated.

* * *

More Controls

It is important to understand what this means or portends.

Already The Post is informed that immediate steps are to be taken to ensure against new models of durable consumer goods. A far-reaching policy of labor control is also in the making.

Almost immediately, Canadians are going to be called upon to make very real sacrifices in order that this huge industrial programme may not be hampered by any immediate or potential bottlenecks.

There will be no discouragement of any production or business which does not involve the war programme but there will be increasing and almost immediate curtailment of production and facilities which compete directly with the procurement of munitions and supply.

* * *

Outside Analyses

Canada is going to get some independent, critical analyses of its war effort from the American newspapermen who last week toured eastern Canada as well as from the business newspaper editors who are to confer with members of the Gocvernment in Ottawa this week.

Hanson W. Baldwin, competent military correspondent of the New York Times, has already published a 3,000-word survey. It is an exhaustive and illuminating analysis.

His general conclusion is that Canada's programme was slow in starting "through no fault of Canada;" that it will be eight months or a year before we become a major factor in the war.

Our industrial production is "as yet" a small drop in the bucket of war, he says.

The Air Training Scheme will reach its peak rate of production of [illegible],500 pilots a year late in 1941. In addition, the scheme will produce, at the peak, 14,000 to 16,500 airgunners and observers.

* * *

The army's problem is one of equipment. In supplying it, industry is faced with bottlenecks in machine tools and skilled labor. Another problem is that of quickly co-ordinating American and British specifications.

But, Mr. Baldwin says, Canada's war programme is now "commencing to mesh into gear." The effort is passing its preliminary planning and plant expansion stage and, with increasing speed, will commence to prove a factor in the war.

* * *

Science and War

Additional large gifts to the Government's scientific war against the Axis powers have been made by prominent business firms, The Financial Post learns. Canadian technicians and scientists, working under the direction of the National Research Council, are exploring some of the new technical problems of modern warfare.

Everything they are doing is necessarily surrounded with secrecy but it is learned that certain results of their scientific study are already being put to practical application in the air war over London. When the full record of the work is revealed it will make one of the most dramatic stories of the war.

The Post has previously reported donations to this war research fund of $250,000 from the T. Eaton Co., $250,000, from the Bronfman brothers, and substantial amounts from International Nickel, C.P.R. and Consolidated Mining & Smelting.

Additional donations of about $250,000 from a group of mining companies and $250,000 from the steel companies are likely to be reported soon.

* * *

War Forecast

This is how one of the shrewdest military observers on this continent views the war outlook now:

"We must expect continuation of terribly destructive air raids through the winter with an attempted invasion by Germany— a serious threat if at any time (no matter what weather conditions may be) Hitler thinks he has succeeded in sufficiently preparing the way for landing.

"If invasion attempt does not come before spring, then 'all hell will break loose' early in the spring months in an attempt by Hitler to gain mastery."

Lessons to be learned from this analysis are two in number:

1. Let us not for a moment sit back and think that because the September danger point has passed, it is now just a matter of time before Britain wins the war. Any such retreat to complacency would be a tragic and costly mistake.

2. Canada should do everything in its power to speed the air training plan so that the peak of pilot production is reached next spring when it will probably be of greatest aid.

Under the present plan, peak production will not be reached until late in 1941.

* * *

Labor and Power

One thing that has hampered wise policy in dealing with labor and in handling problems of material and supply has been the lack of complete, accurate figures and statistics.

Steps are now being taken to rectify this:

Industrial firms working on war contracts or who are going to be engaged in war production are being asked to fill out questionnaires indicating exactly the number and type of workers they employ and the number they believe would be necessary to handle subsequent wartime business.

Questionnaires will also be sent out to ascertain the facts in regard to present and potential power consumption.

As soon as this information is compiled (and there will be no time lost in bringing it together) it will be used to formulate definite policies to control and co-ordinate both labor and power.

Huge Foodstuffs Deal With Britain Possible

Annual Market of $250 Millions Foreseen in Effort to Extend Wheat and Bacon Agreements to Other Products

By STAFF WRITER

OTTAWA. — Canadian Government officials are hopeful of putting through a $250 millions foodstuffs deal with Great Britain. For the duration of the war at least Canadian producers would be guaranteed an annual market of this size for all the country's major agricultural surpluses.

A large part of our agricultural industry would thus be on a contract basis. The existing British agreements in regard to bacon and cheese would be continued and wheat, apples, tobacco, canned milk and butter added.

Proportions suggested would be something like this:

	Millions of $
Wheat or flour	180
Bacon	50
Cheese	9
Apples	4
Tobacco	2
Canned milk, butter, etc.	4
Total	249

Canada's present bacon deal with Great Britain expires the end of this month. Negotiations for its renewal, it is believed, have been broadened to incorporate the other products also. The bacon deal illustrates the minimum hopes of the negotiations; the wartime metals agreement with the Mother Country, the maximum.

Bacon Deal

Under the bacon agreement the British Government agrees to accept a minimum of 5.6 million pounds of bacon weekly at an agreed price which is equivalent to an annual sale of over $50 millions. Twice this year Great Britain asked Canada to step exports up above the weekly average, once to shrink back to the minimum.

At our present rate of bacon production officials believe that we could guarantee Britain from 25 to 50% above the weekly minimum.

In the metal deals, however, there is no worry about volume, the British authorities practically guaranteeing to take all production in excess of domestic consumption. Canadian agricultural officials would like to see similar all-embracing deals made in regard to foodstuffs. But they will be satisfied, in fact will probably have to be satisfied with less. About the best they hope for is a guaranteed market for from 50 to 75% of our various agricultural export surpluses.

In wheat the figure most frequently mentioned is 200 million bushels a year at about 90 cents. In effect this wouldn't represent much more than we are exporting now, but under an agreement we would know definitely and in advance how much of the coming crop would be sold and at what price.

As in the base metals deals, the agreements would tend to stabilize prices, eliminate hope of fat wartime profits, but also ease market worries.

With a British market guaranteed for 200 million bushels of wheat it would be much simpler here to allot acreages, delivery quotas, fix guaranteed prices and manipulate generally the complicated machinery of a planned farm economy. But even a guaranteed market, it is admitted, would not be enough to ensure success, because production of farm crops, unlike base metals or manufactured products, varies with the weather. The same acreage may produce 500 million bushels in a favorable season, little better than the seed, if drought, frost, rust and hoppers combine against it.

Marketing Problem

Over a ten-year average Canada produces about 350 million bushels of wheat a year. We need about 125 million for our own use, flour, feed and seed. With Britain taking 200 million this would leave us only 25 million to sell other customers not cut off by the war. There would be little to worry about in that.

But the present situation is not just as simple as that, because we have over 850 millions of wheat now in sight. Carryover from 1939 was over 300 millions, to which must be added the bumper yield of this fall. Carryover a year from now, provided present export rate is maintained, is estimated officially at the record figure of 550 million bushels, or 150 millions more than total commercial storage space in Canada.

There is some similarity in the bacon situation, though the proportions are on a much more modest scale. Renewal of the present agreement would simply guarantee present volume, which is not enough to handle prospective production.

Good grain crops in the western provinces in the last two years have

(Continued on page 2, col. 4)

Canada-Japan Trade More Vital to Nippon

Japan Needs Metals But Japanese Imports Not Essential Here

Economically Japan stands to lose more than Canada, if she enters the war on the side of Germany.

Our trade with the Japanese has always been lopsided. We sell about four times what we buy from them.

Once upon a time the Japs used to kick about this, threatened to do something drastic if we didn't make an effort to even the swap.

Recently, however, the atmosphere has changed completely. The only threats heard were scarcely audible and to the effect that it would be unfriendly and possibly dangerous to consider an embargo on certain exports the Japs seem to want rather badly.

Metals Key Exports

These key exports were mostly metals, and largely metals in the raw state. Of our $20 to $25 millions annual exports to the Japs in the last three years from two to four fifths have been metals—scrap iron, copper, nickel, aluminum, lead and zinc. These were undoubtedly raw materials for prosecution of the war against China, possibly also for building up an emergency reserve of munitions, in case some hot-headed admiral or general got the country into trouble elsewhere.

Partially Blocked

All metals, including scrap, are now only exportable under license. The necessary regulations were put into effect within a month after the outbreak of war. Although impossible to get definite figures in regard to current trade, The Financial Post understands that for a considerable period now no scrap has been going to Japan. Probably the same situation exists with aluminium and nickel, but it is understood that there

(Continued on page 2, col. 1)

Trusts & Guarantee Plan is Adopted

Unanimous approval has been given by shareholders to plans of Trusts & Guarantee for a write-down of capital and setting up of reserves against possible losses. Shareholders will receive one new share of $100 par value for each two shares now held. The resulting capital write-down of $1.3 million is being applied toward bringing certain assets to conservative present-day values.

The company plans to make immediate application for legal authority to carry out the share exchange.

Textile Concerns Get Big Orders

Nine Companies Share 12 Contracts Worth Over $1 Million

From Our Own Correspondent

MONTREAL.—Nine Canadian textile companies in which there is a public investment interest received 12 contracts with a value of $854,789 in the week ended Sept. 20. The largest single contract went to Dominion Woollens and Worsteds Ltd.

A list of the companies and the value of the contracts received follows:

Hamilton Cotton Co.	$208,980
Paton Mfg. Co.	210,600
Canadian Cottons Ltd.	139,320
Can. Converters Co.	18,850
Dominion Textile Co.	218,259
Dominion Woollens	219,240
Montreal Cottons Ltd.	6,240
Regent Knitting Mills	24,030
Woods Mfg. Co.	18,250
Total	1,063,769

Make Sure You See—

Sir Norman Angell's Method For Beating Hitler
Hitler's Secret Weapon—p. 11.

Hon. J. L. Ilsley's Answers To Key Questions
How Business Can Help Win the War—p. 11.

War's New Emphasis on Fire Prevention Week
Focus on Fire Prevention—p. 12.

How New Milling Methods Will Give Improved Food
Vitamins May Win War—p. 17.

Highlights of Savant Lake's Gold Rush
Savant Lake Attracts Many—p. 19.

at EATON'S

Canterbury Socks

Made in England

For Canadians who want Outstanding Quality!

Socks made in England as only the English know how to make them! ... knit from fine woollen yarns that retain their softness and elasticity even after repeated washings ... every pair full fashioned, assuring neat, snug-fit ... presenting a variety of tasteful, conservative patterns (stripes and clocks) in the famous 6 and 3 rib style ... such are Canterbury socks ... made expressly for EATON'S, a favourite with well-dressed Canadians everywhere.

Sizes 10 to 12.

1.25 pr.

PHONE TR. 5111

MAIN STORE
MAIN FLOOR

EATON'S-COLLEGE
STREET, MAIN FLOOR

T. EATON Co LIMITED
TORONTO CANADA

Trade Important to Japan

(Continued from page 1)

has been no interference with other base metals. The bulk of these come from British Columbia mines which were not included in the metal deal with the British Government. In some cases the Japanese have contracted to take the entire output.

Sold $16 Millions Metals

Japanese imports from us have specialized most decidedly in the following:

Canadian Metal Exports to Japan
(In thousands of dollars)

	1936	1937	1938	1939
Aluminum	1,967	1,948	4,777	6,506
Copper	23	167	1,300	2,155
Lead	2,150	3,976	2,865	1,555
Zinc	789	1,091	1,294	953
Nickel	632	2,050	5,439	5,578
Iron	335	692	671	633
Total all metals	5,462	8,987	15,560	16,617
Total all exports	14,844	21,630	26,640	21,045

The big gains, it will be noted have all been in the so-called war metals. The Japanese have been forced to economize on their meagre imports of wheat, wood products, fish and other peaceful items, but they certainly have not economized on the stuff that makes shells, guns, planes and tanks.

Our Loss Slight

Now if Japan finally decides to join actively the unholy war alliance of Germany and Italy, all of this metal supply will instantly cease.

Japan will have to do without $20 millions of vital Canadian products. We will drop only $5 millions of Japanese imports. And whereas Canada can expect to replace from other sources goods now secured in Japan, there is no other place for the Japs to turn.

Canada's Leading Imports from Japan
(In thousands of dollars)

	1938	1939
Cotton goods	328	387
Tea	357	308
Silk	442	290
Clay products	390	267
Fishery products	222	254
Flax products	287	236
Toys	310	222
Artificial silk	267	206
Rice	209	203
Total imports	5,782	4,466

Leading Exports to Japan
(In thousands of dollars)

	1938	1939
Metals	15,569	16,617
Asbestos	1,382	1,449
Wood & paper products	6,014	1,075
Fish	499	296
Wheat	1,132	....
Total	26,640	21,045

Hitherto Japan has divided her war buying largely between Canada and United States. Indeed, had it been possible and practical for Canada to have placed an embargo on metal exports, the Japs would simply have increased their orders accordingly in the United States. But that is not possible now. Washington last week placed an embargo on such goods going to Japan.

Need Supply Here

In normal times, of course, the sacrifice of $20 to $25 millions of export trade such as we did with Japan would require readjustment if not real hardship. But these times are not normal. With our own munitions factories rapidly getting into full stride, with heavy exports of metals to Great Britain, there is more and more need for all the copper, zinc, lead, nickel and scrap iron this country can dig up. Most observers expect little difficulty in handling any overflow diverted from Japan. Either our own British factories will need this material or those of our new defense partner, the United States.

Another indirect advantage from the U. S. action has been cited to The Financial Post. Although all sorts of official and unofficial methods have been adopted to halt the flow of armament-making American machine tools to Japan, this trade was not stopped completely. Now, with the Americans practically severing commercial relations with the Japanese any of this flow can be diverted to Canada where these supplies are very much required.

Replacing Silk

As for our imports from Japan, no great difficulty is anticipated. Largest single item is silk, some of which comes direct, some via the United States. Main use of this raw silk is for the production of silk stockings.

Last year the first generally acceptable artificial silk stockings were produced in the United States. Initial supplies sold like hot cakes. The new stocking is rated as equal in looks to the best real silk, and superior in some respects in wearing qualities. Raw materials required for the synthetic product are available on this continent in unlimited quantities. Volume production is already under way in United States, and will be in Canada, it is reported, by next spring.

Of the other Japanese exports to Canada, chiefly cheap toys, cotton, china, tea, etc., no replacement difficulty is anticipated. Indeed spontaneous consumer boycotts of recent years have cut demand drastically.

Not on Speaking Terms

With the other new partner mooted in the broadening Axis partnership, Spain, we have scarcely been on speaking terms, commercially speaking, for years.

During the late civil war, Canada stopped trading with both sides, though apparently some wheat and minor war supplies did slip into the country via Morocco or France.

Latest trade figures, however, almost ignore Spain. That country in the good old days before wars and rumors of war, took a little Canadian wheat and quite a lot of dried fish. In return she sent us olives, olive oil, a few grapes at Christmas time and a few bitter oranges for those old diehards who still prefer marmalade as it was made originally.

Bond Tenders

4 p.m., Oct. 22, Sherbrooke, P.Q.—$225,000, 4%, dated Sept. 1, 1940, maturing in series from Sept. 1, 1941 to Sept. 1, 1960. Ant. Deslauriers, clerk.

FOR SALE

Valuable business site, approximately two acres, with railway-siding facilities on Don Roadway near Queen East: Offered for quick sale at greatly reduced price. Phone Elgin 5176.

Leaders Weigh Ilsley Hints

Feel Most Industries Have Ample Capacity For Civil Needs

As they pondered this week the implications of an official Government hint that civilian buying, particularly of durable goods, should be curtailed, Canadian business leaders found plenty of lines where there is still surplus capacity. They called attention to the fact that the official pronouncement emphasized that where there is adequate labor and material available, business ought to proceed full steam ahead.

Hon. J. L. Ilsley, Minister of Finance, in his statement in Toronto particularized to the extent of stating that civilian purchases of durable consumer goods, such as automobiles, radios, refrigerators, washing machines and others of this nature should be economized.

For the investor this has a double implication. In the first place it becomes evident that a large range of articles to which we have become accustomed are not going to be bought and sold as freely as in the past.

The basic reasons are twofold In the first place, plants making these durable household articles mentioned are readily adapted to making war materials. In the second place, civilian income, the Government apparently feels, must be directed more and more into channels directly aiding the war effort.

Does Not Mean Shutdowns

In the majority of cases these changes are not going to mean that companies which formerly made these articles are going to be idle. One Canadian automobile manufacturer has over $60 millions of government orders on its books right now. Another has probably as much. Just this week announcement is made of another $4.8 millions of motor vehicles ordered from Ford of Canada and about as much from General Motors. These plants would be busy even if not permitted to continue manufacture and sale of new motor cars for civilians. But leaders in the industry assert that they can handle war orders and still meet all civil demands. Already, as a measure of co-operation, they have agreed that the long-established custom of bringing out yearly models in motor cars is at least going to be dispensed with in 1942.

Where this tightening of control over civilian spending is going to be felt most is by those companies making such household or luxury articles, already mentioned, exclusively and unable to turn to war output.

For example, Canadian Westinghouse and Canadian General Electric are large makers of refrigerators, radios and similar goods. But they are also busy now making a wide variety of war materials and adding to this section of their business each day. Moreover such companies have even larger divisions catering to the needs of every branch of industry.

Rogers-Majestic specializes in manufacture of radios, refrigerators and other household items. Recently this company received a substantial order for war materials, indicating a turning to this type of work. Whether in this case enough war orders can be handled to offset any restrictions on normal business cannot be foretold.

Finance companies could easily be jeopardized by enforced restrictions on buying of durable household goods and motor cars. Some of them, Industrial Acceptance for example, are building up important industrial factoring divisions but main reliance is still on installment financing of consumer goods. Deferred payments for articles might be curtailed.

Ban New Models?

From Our Own Correspondent

OTTAWA.—Complete prohibition of new models in the field of durable consumers' goods — automobiles, radios, refrigerators, etc.—is expected to be ordered shortly by the Government.

Speaking in Toronto this week, Hon. J. L. Ilsley, Minister of Finance, stated clearly that the Government was now finding it increasingly necessary to curtail civilian consumption. He mentioned the need for "economizing" on the part of the public in the purchase of such things as motor cars, radios, refrigerators and the like.

This was linked with governmental policy to take restrictive measures as soon as a shortage developed or threatened to emerge in connection with war supply.

Although there is no immediate intention to ban the sale of all "durable" consumer goods, some restriction will be effected by insisting that no new models be produced for the duration of the war, it is understood.

So long as adequate supplies of materials, labor, etc., can be obtained, firms will still be permitted to manufacture and sell existing models.

They will not be allowed to use machine tools, skilled workmen, dies and other facilities which would be needed to manufacture and introduce a new model. Elimination of these new models will release for war work greatly needed facilities in the machine tool and allied industries.

Realty Appraisal Basis Analyzed

Realty appraisers and appraisals were themselves appraised by an outstanding authority in the field, Arthur A. May of Detroit, at the meeting this week of the Toronto chapter, Society of Residential Appraisers.

Mr. May, assistant regional manager of the Home Owners Loan Corp., gave an exhaustive analysis of the "capitalization approach"—calculating the capitalized value of income yields of properties.

Most appraisers employ several methods in setting values, chiefly the capitalization approach, the reproduction cost of structures, and comparative values in the areas involved. Mr. May has made a particularly close study of the capitalizing system. In six years with the Home Owners Loan Corp. he has made or reviewed some 40,000 residential valuations.

Representatives of other organizations interested in appraisal, mortgage and real estate matters generally attended the meeting to hear Mr. May, who is a national governor of the Society of Residential Appraisers. Last year he received an honorary degree from the Detroit Institute of Technology in recognition of his work. He was dean of the American Institute of Real Estate Appraisers courses at Tulane University last year and at Yale this year.

The Nation's Busines

(Continued from page 1)

the government's new policy of extending and enlarging the field of public information.

Granted as much co-operation by government authorities as was given at the Toronto affair, there are few better ways of bringing government and business together.

* * *

Bacon Flow to U. K. Should Increase

The price of hogs is rapidly replacing the price of wheat as a barometer of farm prosperity in western Canada. Indeed, in the eastern half of the country, hog values have long been more important than wheat.

The reason for this change is not hard to find.

The war has separated Great Britain from her normal major bacon source, Denmark. But with wheat, trade lanes to the main world producers remain open. As a result, our exports of pork products to Great Britain are running at record levels, while our new crop wheat is piling up, unwanted, in makeshift storage.

* * *

No informed observer expects that hog-raising can completely replace wheat in our western economy. But it can help. And the present war makes such a transformation practical, as well as patriotic.

It takes four to five pounds of grain to produce one pound of live, market-weight hog. A bacon hog ready for slaughter represents roughly an acre of grain. At current prices farmers are now making roughly twice as much money by feeding grain to hogs as could be made by marketing the grain direct.

Britain has guaranteed Canada a market for a minimum of 5.6 million pounds of bacon weekly, equivalent to 50,000 live hogs a week, of at least 50,000 acres of grain. Without considering maintenance of the necessary breeding stock our present export requires at least 2.5 million acres of grain to support it or an area equal to about 10% of our total wheat acreage.

* * *

Our bacon agreement with Britain expires the end of this month. Negotiations regarding its renewal are now under way. With Danish supplies completely cut off and the British appetite for bacon not one whit diminished, it is likely that at least our present minimum volume will be maintained, possibly increased. Recently, the Old Country has been taking quantities substantially in excess of the weekly minimum.

* * *

It is of the utmost importance to Canadian agriculture that the British bacon agreement is renewed. Every effort should be made to step up the volume accepted. We can, if necessary, double or treble the recent rate of exports. In doing so we can turn from two and a half to five million acres of unprofitable wheat into profitable hog feed. Moreover, if we do the job well, we can expect to hold this trade permanently after the war.

Britain, with the experience of this war and the last, will assuredly endeavor to keep her sources of vital food within the protection of her own navy.

Huge Food Deal With Britain

(Continued from page 1)

meant a big gain in livestock production, with bacon hogs predominant. Marketings this fall have been at record levels. Recently, however, Britain has shown a great deal more interest in Canadian bacon and heavy storage stocks have been steadily reduced.

Chances for getting a somewhat larger bacon quota with Great Britain are considered fairly good, and at somewhere close to the present price level, which is equal to the average of recent years.

Dairy Products

In cheese, canned milk and butter, no great difficulty in negotiating a contract is anticipated and probably for close to our total surplus.

Already the Old Country authorities are taking practically all the cheese Canada can spare and at a fixed price. Market for canned milk is believed almost unlimited. Canada has a small exportable surplus of butter, has the necessary equipment, both animal and mechanical, to produce more if the price proved satisfactory.

All milk products, cheese, butter, canned milk, ice cream, fresh milk for the domestic trade, etc., are closely related. There is considerable switching from one line to another. Recent butter prices have not been attractive enough to develop a surplus.

Tobacco and Apples

In tobacco and apples there is a bit of a problem. Since the war really got serious, with shipping only available for vital needs, Britain has shown little interest in either of these lines. Fresh apples are considered too bulky to warrant ocean freight in wartime and even canned fruits have been discouraged. Some sort of a selling job will be required if Canada is to get rid of the normal $4 millions export across the Atlantic.

Tobacco is not particularly bulky and a barrel of it would be worth 25 times as much as one filled with the best Northern Spys. But Britain even before the war was said to have a two-year supply on hand and therefore could afford to take her time about replacement.

There is also a diplomatic problem involved. Tobacco is one of the chief exports of United States to Great Britain. It figures largely in Turkish exports. Undoubtedly on some occasions since the war Britain has purchased Turkish tobacco for diplomatic rather than trade reasons.

Inter. Milling Earnings Up

At Record New High — Robin Hood Profits Down, Opens New Mill

International Milling Co. report for the fiscal year ended Aug. 31, due in October or early November, probably will show as good or better earnings than in the 1938-39 period, The Financial Post is advised by F. A. Bean, president. The Canadian subsidiary, Robin Hood Mills Ltd., however, is expected to show somewhat lower earnings than in the prior year.

International Milling's net profit of over $1.9 million in year ended Aug. 31, 1939, was 2½ times the 1937-38 figure. It was substantially ahead of any previous year since the company was organized in 1923.

Robin Hood operates mills in Calgary, Moose Jaw and Saskatoon. The first of two units in a new mill being built at Humberstone, Ont., has started operations, the president reports. Each unit has capacity of 1,000 barrels of flour per day. There is no cereal business at Humberstone.

Building New Elevator

Second unit of the plant is expected to be ready about the end of November. A new elevator also is being constructed at Humberstone, and while not completely finished, it is in operation sufficiently to keep one unit of the mill going.

The new mill is designed for eastern Canadian and export trade. Robin Hood always has been engaged in both these fields, so it involves no new departure, Mr. Bean points out. The new construction represents only a reallocation of capacity. At the same time this mill was being built, the company dismantled its unit at Factoria, Sask., which had not been operating to any great extent.

Commodities

The Japanese alliance with the Axis powers pointing to a spread of the war has brought a new factor into the commodity markets. The immediate effect was higher quotations on commodities such as rubber and silk, whose movement from the Orient might be disturbed.

Copper was strong, owing, partly, to purchases by the British Government. The view that peace is a long way off was a factor in this commodity. Cattle prices were lower.

The general effect on quotations due to uncertainty as to the outlook was to make them move irregularly.

Of the weekly spot indices two were lower, one higher and one unchanged.

Dow Jones future index was higher.

COMMODITY PRICES

	Latest week	Previous week	Same week last yr.
Cattle	$8.35	$8.75	$8.00
Hogs	9.60	9.50	9.00
Copper, lb.	.12	.11½	.12½
Cotton, lb.	.0997	.0990	.....
Rubber, lb.	.1962	.1925	.2010
Sugar, raw, lb.	.0275	.0270	.0367
Silk, lb.	2.55	2.54	3.03
Wheat, Man. (bu.)	.71¼	.69¾	.71
Coffee, lb.	.05	.05	.05¼
Hides	.12½	.12	.16½
Weekly Indices			
Canada (D.B.S.)	83.0	83.0	77.9
Do., Wood, Gundy	65.6	65.4	65.4
U. S. Labor	77.7	77.9	79.5
Dow Jones (future)	53.23	51.74	56.77
Fishers'	82.1	81.9	83.6
Monthly Indices			
Canada (D.B.S.):			
Retail (*Aug.)	105.9	105.6	100.8
W'sale (July)	82.4	81.6	72.6
U. S. (July)	77.7	77.5	75.4
Gt. Brit. (June)	134.6	133.7	98.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base. *Base 1935-40—100.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

See No Hobble On Advertising

(Continued from page 1)

view a deliberate attempt to avoid just taxation.

Sole test of the acceptability of any such increase will be whether it seems reasonable in view of the individual firm's business problems and previous advertising habits, and whether the increase is justified from the point of view of the firm's finances.

It is understood the Government view is that regarding any item of annual expense, unless it is economically sound for the company to make such an expenditure, it is inherently wrong that the expense be incurred, both from the view of economy for the company and of the national treasury. But if the expenditure is sound business for the company, it is likely to be regarded as satisfactory to Ottawa.

Investor's Index

Oct. 5, 1940

Abitibi 5
Acme Farmers . 20
Algoma Central 9
B. Greening W. 4
Bowater's . . 4, 15
Brazilian . . . 4
Brew. & Distil. . 9
B. A. Oil . . . 5
Brown Co. . . . 5
Calgary Pwr. . . 12
Can. Nor. Pwr. . 9
Canadian Car . 9
Can. Int. Paper 12
C. P. R. . . . 4
Can. Vickers . 4, 9
Chainway Stores 9
Cockshutt Plow 2
Cub Aircraft . . 8
Disher Steel . . 4
Dosco 4
English Electric 1
Fleet Aircraft . 9
Ford of Canada 4
Gatineau Pwr. 4, 5
Goodyear Tire . 20
Grt. West Sadd. 4
Inter. Milling . 2
Int. Metal Indus. 8
Loblaw Groc. . 9
Loblaw Inc. . . 4
Maple Leaf Mill. 8
Massey-Harris . 9
M. & O. Paper . 4
National Biscuit 4
National Grocers 9
Page-Hersey . . 4
St. John Power 4
Silverwood D. . 4
Standard Pav. . 4
Stedman Bros. . 4
Sterling Coal . . 9
Trans-Canada A. 14
Trusts & Guar. . 1
Twin City . . . 7

MINES AND OILS

Afton 19
Albany River . 19
Anglo-C. Oil 2, 18
A. P. Consol. . . 18
Berens River . . 18
Birch Lake . . . 18
Calmont Oils . . 18
Cariboo G. Q. . 19
Central Man. . . 19
Central Pat. . . 19
Coniagas 19
Cons. Smelters . 18
Franco 18
God's Lake . . . 19
Goldale 18
Home Oil . . . 18
Homeward . . . 19
Kerr Lake . . . 19
Lamaque 18
Lapa-Cadillac . 18
McDougall-Seg. . 18
Mining Corp. . . 19
Moneta Porc. . . 19
Northern Can. . 19
O'Brien 19
Osooyoos 19
Pickle Crow . . . 18
Powell Rouyn . 19
San Antonio . . 19
Silbak Premier . 19
Slave Lake . . . 19
Straw Lake . . . 19
Sylvanite 19
Sussex Mangan. 19
Toburn 18
United Gold Eq. 19
Ventures 19
Wright-Harg. . . 19
Ymir Yankee G. 19

REGULAR FEATURES

Banking 8
Bond Markets 5
  Bond Quotations 16
Business, Week in 7
Commodities 2
Editorial 6
Foreign Exchange 5
Insurance:
  Fire and Casualty 12, 13
  Life 14
Investment Trends 4
  Investment Enquiries 9
  Market Opinions 4
  Stock Quotations 16
Mining, Week in 18
  Mining Enquiries 19
  Stock Quotations 16
Municipal Finances 9
Oils, Week in 18
  Stock Quotations 16
Pulp and Paper 15
Wheat, Week in 17
  Grain Quotations 17

Cockshutt Sales Gain Curtailed

Some curtailment in the substantial increase in domestic sales reported by Cockshutt Plow Co. earlier this year is expected because of current conditions in western Canada, The Financial Post is informed. Export trade for the year ending Nov. 30, 1940, will amount to approximately the same figure as in 1939. In spite of the fact that the collection season opens under some handicaps, early reports are stated to be encouraging.

In July, Cockshutt reported an increase of 65% in sales for the first six months of the company's year over the corresponding period a year ago. Congestion which is holding up sales of the excellent wheat crop in western Canada, however, threatens the purchasing power of the farmers and hestitation in buying is reported affecting the major selling season for farm implement companies.

"and now for the BANKING angle"

In planning new business, you may have to consider the banking angle. We are ready always to consider banking assistance to worthy new enterprises.

BANK OF MONTREAL

ESTABLISHED 1817

MODERN, EXPERIENCED BANKING SERVICE
...the Outcome of 122 Years' Successful Operation...

A108

First Ontario Bomber Passes Test This Week

Flight this week from Malton of the first Ontario-assembled Hampden bomber marks a further step in the production programme of Canadian Associated Aircraft Ltd.

C.A.A. is now assembling Hampdens at both its Montreal and Malton plants. The first Hampden test flight was made at Montreal seven weeks ago.

There are 80 of the 10-ton Hampdens now on order or in production.

Six associated companies build the component parts for assembly at Malton and St. Hubert. These companies are: Canadian Car and Foundry, Fairchild Aircraft, Fleet Aircraft, National Steel Car, Ottawa Car and Aircraft and Canadian Vickers.

The Hampden has an effective range of 1,790 miles, is powered by two Bristol Pegasus engines which drive the machine at a nominal top speed of 265 miles per hour. It carries two one-ton bombs or six 500-pounders.

It was stated that the second bomber at Malton will be ready in two weeks, a third two weeks later. Subsequent production will then be speeded up, according to a company official.

Radio Newscast Plan Evolves

(Continued from page 1)

responsibility for preparing and broadcasting bulletins, using dispatches provided by the wire services of the Canadian Press and British United Press.

However, it will likely be early next year before details of the change are worked out and definite action taken to put the new system into operation.

In the meantime, preliminary steps have been taken to organize the special CBC staff to prepare and edit newscast bulletins, and to some extent later to cover news events directly with CBC observers and writers. While the director of the new organization has not been formally appointed, it is understood likely that the choice will fall on D. C. McArthur, presently supervisor of news broadcasts of the CBC.

Sponsored by CBC

Hitherto the material has been collected and bulletins prepared by the Canadian Press organization. These bulletins were supplied exclusively to the CBC for broadcasting at an editorial cost of $20,000 annually, with credit given the Canadian Press. Under the new scheme the CBC will sponsor the news itself, without credit to the wire services on which bulletins will be based.

This will involve creation by the CBC of its own staff of news editors and bulletin writers for the assembling and distribution of news broadcasts. Contrary to earlier forecasts, it is understood sponsored news broadcasts by local stations will not be entirely suspended. Some curb will probably be put on advertising plugs in the course of news broadcasts, but local stations will be allowed to present news bulletins under the sponsorship of advertisers.

Northern Life Offers W. S. Stamps Prizes

The Northern Life Assurance Co. of Canada in its current sales contest is offering its salesmen war savings stamps and certificates as prizes. The plan has been favorably received by the field men and serves the double purpose of supplying valuable prizes and furthering the sale of war savings stamps. The contest marks the 43rd anniversary of the company.

Anglo-Canadian Oil Co. Calling Bond Issue

Anglo-Canadian Oil Co. is calling for redemption on Jan. 15, 1941, at par and accrued interest, all the outstanding bonds of its wholly-owned subsidiary, Drilling Contractors Ltd. Authorized amount of this issue is $300,000 of which $222,000 is outstanding at the present time. The company is now prepared to purchase bonds at par and accrued interest to date of delivery.

AS NATURALLY as you use THE PHONE

WHEN you wish to talk to a person, you can walk or travel miles to do it. But, with exceptions, you don't. When you wish to pay bills or make purchases, you can carry around with you a bundle of cash or a sack of coins. But, with exceptions, you don't. ℂ In the one case you use a telephone. In the other, you use a cheque on your bank. In either case you save time and effort by using a convenient modern device. And you use the one as naturally as the other. Canadians do make extensive use of the services of the chartered banks. ℂ Deposits in chartered banks at the time the last return was made to Parliament, totalled $2,530,000,000; cheques issued and debited to individual accounts in August, 1940, the most recent month for which returns are available, totalled $2,457,706,218. These figures show that most Canadian business is done by cheque and illustrate the extent to which the people make use of the banking system. The banks take pride in the modern services they provide for your convenience.

[In war, as in peace, Canada's Chartered Banks maintain, uninterrupted, their useful services — safeguarding depositors' funds; facilitating the nation's business — looking forward to peace with freedom as the only sure basis of enduring prosperity.]

THE CHARTERED BANKS OF CANADA

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Dominion— Canada Treasury Bills	Sept.		....	Dec. 31	$35,000,000	99.830	.648%

London Calling

by Atticus

Scots Singing "There'll Always Be a Scotland"—McConnell Gift Shows War Does Not Stem the Generous Impulse

LONDON.—There are not many places one can visit now and it was with almost a sense of adventure that I went to Scotland last week, not as of yore to disturb the grouse or slice a little white ball, but on serious national business bent. Finding an interval of two or three hours on my hands one pleasant afternoon I drove to Loch Lomond, which is so near Glasgow that it was the more stimulating to find a substantial piece of water with very lovely banks and braes. A solitary fisherman floated in his boat, the sky was innocent of balloons and war was thousands of miles away. I should have liked to linger there and dwell awhile with beauty, but there was the night train to London and reality. On the advice of Glasgow friends I went to an early theatre to see a most highly successful all-Scottish revue. This theatre changes its programme periodically but is always based on Scottish humor, Scottish dancing, Scottish sentiment and Scottish songs. In fact it is Scottish nationalism of the most potent order.

There was a scene where Robert Burns was being given a supper at a tavern and a tipsy fellow took exception to one of the guests because he was a Sassenach. "That may be so," said Robert magnanimously, "but a man's a man for a' that." Whereupon in a fruity baritone he sang the song through. Somewhat crushed by this incident, I was subsequently cheered by hearing the opening notes of "There'll always be an England." This seemed a most graceful gesture, especially as the notes were greeted with tumultuous applause.

* * *

Always Be a Scotland

But my self-satisfaction was short-lived. "There'll always be a Scotland" sang the leading comedian and so to the end, being aided and abetted by a quartette of handsome young fellows in traditional Highland costume. When we left the theatre hundreds of people were clamoring to secure seats for the second performance of this high-spirited and stirring spectacle.

During the night journey a knock came at my door and the attendant informed me there was an air raid. I thanked him and asked what one was supposed to do. "I have no idea," he said. "It's my instructions just to tell you there's an air raid." And so to sleep.

An exhilarating visit to a country that is at its best in war. In fact the only depressing spectacle was the number of Dutch sailors who had up to the time received no instructions about attending yesterday's celebrations in London of the anniversary of Queen Wilhelmina's birthday.

* * *

Mother and Son-in-Law

Many months ago in these notes I commented on the meeting of age and youth when Leopold of Belgium went to The Hague to discuss the Nazi threat with Queen Wilhelmina. One expected then that the young King would be all fire and eager purpose while the elderly Queen countenanced patience.

When the test came it was the Queen who would not surrender. Long decades of peace had not robbed the Dutch people nor their Sovereign of the quality of heroism. Queen Wilhelmina has always preferred a quiet life, and she remains now mostly at her home in this country, leaving as many official duties as possible to her son-in-law, Prince Bernhard.

The camera does not do Prince Bernhard justice. Photographs accentuate his glasses and fail to reveal the healthy, brown texture of his skin. Actually he looks strikingly fit, and his vigor is not at all the nervous variety. Recently, however, he has had news from a friend which has greatly depressed him.

It seems that Prince Bernhard's brother has been dismissed his regiment and his mother turned into the streets. Such is the attitude which Hitler takes towards a man who is faithful to his vows. Nothing is more expressive of Nazi psychology than turning its savagery against the relatives of the man whom they cannot reach.

The British nation knows how to resent such foulness, just as it knows how to respect the character of a brave race and ally such as the Dutch have proved to be.

* * *

A Debonair Millionaire

The difficulty of a rich man parting with his wealth has been recognized through the centuries. Yet this war is proving that the possession of wealth does not stem the generous impulse. Incomes are vanishing on every hand, but still there is no good cause which goes a-begging without a brave response.

I was particularly pleased when the news came that "Jack" McConnell of the "Montreal Star" had given a quarter of a million dollars towards supplying fighter engines for the R. A. F. The last time I saw him we were fellow guests of Lord Tweedsmuir at Rideau Hall, Ottawa, and I shall not soon forget the high spirits of McConnell and our host.

Mr. McConnell, who now devotes his whole time to the newspaper which he owns, is slim, good looking, debonair, and generous. He has a genius for making money and a flair for giving it away.

His two luxuries are a lovely home outside Montreal on the water's edge, with sloping lawns, an old English butler and a swimming pool—and up in the mountains a beautifully equipped log cabin which he lends frequently to his friends.

His loyalty to Britain is as complete as his love for Canada. Day after day he proclaims the greatness of our cause and his faith in the future of the British race. And in his leisure moments he seeks out good causes which he can support with his enthusiasm and his wealth.

* * *

The Old School

The Duke of Bedford, who died last week, was a man who was content to live within his own sphere and to carry out conscientiously the duties which came first to hand.

That he did so with humanity and dignity may seem a small thing in these strident headline days, but it is such men who give depth and fineness to a nation's character. He was chivalrous but emotionally reticent; he was quiet but comprehending; he was learned without being dogmatic.

Such personalities are nearly always under-valued except by those who have the chance of intimate contact. He had vast estates and he deemed it his duty to see that they were administered with generosity to dependants, and thoughtful consideration at all times. Many were the good causes he supported, and he was never indifferent to the beauty or to the sorrow of life.

It is strange that one who so typified the Victorian mold should have married a lady who gave her soul and eventually her life to flying. At 71 years of age the late Duchess, after many spectacular flights with different pilots, went into the air by herself; and that was the end. Perhaps the pity of it was lessened

J. W. McCONNELL

by realization that she did not possess the temperament for sitting quietly and watching the sun sink slowly beyond the horizon.

* * *

A New Chief

Sir John Chancellor is to take the post of Chairman of the British Council, held until recently by Lord Lloyd. This is an interesting appointment to a thankless task. The purpose of the Council is a civilizing one, and it is not easy to demonstrate the successes of any civilizing mission.

On the other hand, anything to do with culture supplies an enticing target to the Philistines. Sir John will no doubt receive his share of slings and arrows.

Nothing is likely to flurry him, however, for in his 70 years of life he has sailed in many stormy waters. As a soldier he saw action in various Empire incidents and some events that were more than that. As Governor and Commander-in-Chief of Mauritius he has learned how British a people can be in spirit though their language be French. In Trinidad and Southern Rhodesia, as High Commissioner and Commander-in-Chief in Palestine, down even to the more prosaic chairmanship of the Permanent Joint Hops Committee, Sir John has certainly—to express it in the American idiom—"covered the waterfront."

There are few parts of the world to which he is an entire stranger, and to enumerate the distinguished positions he has held would fill my entire space. He follows a vigorous propagandist in Lord Lloyd, whose work was far more useful than his critics would lead us to believe.

Copyright, 1940, The Financial Post and The Sunday Times, London.

The Post-Bag

Naval Tradition

Perhaps a bit of naval history was made the other day at the famed Admiralty House at Halifax. Commodore G. C. Jones (who, by the way, had just taken over the Atlantic Command that morning) was giving a mess dinner to visiting U. S. journalists. Concerned lest a traditional British naval custom be misinterpreted, he ordered his officers and guests to stand while the toast to the King was drunk. By tradition, naval officers invariably toast the King sitting down.

When introducing Naval Minister Angus Macdonald, Commodore Jones remained seated, but when introducing Hal O'Flaherty, managing editor of the Chicago Daily News, he stood up.

* * *

Toast Etiquette

An amusing incident at the Halifax Admiralty dinner came between the toast to the King and the toast to the President of the United States.

A very correct young Canadian officer had been twitting American journalist guests about the niceties of toast etiquette. He was pained to see pipes and cigarettes appearing on the tables, prematurely. Then, as soon as the toast to the King had been drunk, he "lit up" himself.

To the officer's great confusion the steward, after a pause of several minutes, came round to ask the officer to extinguish his cigarette.

The toast to the President was still to be drunk.

* * *

Don't Try It

All sorts of gossip is whispered around about the number of people who are able to get all the American funds they want for travel and luxury buying across the border. Some people have been so indiscreet as to boast that they knew "the ropes" and had no difficulty getting money from the Exchange Control.

The tip from Ottawa is: Don't try to get away with evasions of either the spirit or letter of the ban on pleasure travel in the United States. The FECB intends to be strict. "Smuggled" joyrides may prove expensive.

* * *

Navy at Work

"Warships at Work" is the name of a little book of text and illustrations that can be bought for 20 cents. It illustrates every type of vessel used in the navy and tells its particular job. The author is A. C. Hardy, who has written several readable books on ships. The pamphlet is one of the little Penguin books, published in Canada by Collins, Toronto.

* * *

Report Briefed

Many people have written The Post to find out where they can get a summary of the Rowell-Sirois report in pamphlet form.

One is now available, prepared by S. A. Saunders and Eleanor Back, and published by the Ryerson Press in 45 pages at 40 cents. The pamphlet is No. 5 in a series of "Contemporary Affairs" studies by the Canadian Institute of International Affairs.

Another neat little pamphlet in the series is entitled "Why War Savings." It sets forth just why we must all save money or lose the war. The author is C. H. Herbert, a Sun Life investment economist.

* * *

Hitler in London

A friend of ours who has been visiting one of the German prisoners' internment camps reports that the men in the camp still think that Hitler and his legions are already in London.

* * *

Invisible 'Planes

We were told the other day about the man who showed up at Ottawa with a scheme to make airplanes invisible. He refused to let any junior hear his proposal but insistently worked his way up to the "top man." To him he outlined his proposal.

To make airplanes invisible, he said, wrap the fuselages and wings in cotton batting. Then when they are in the sky they would look like tiny floating clouds.

* * *

Storrs on Zionism

Lawrence of Arabia had a way of dealing with lionhunters who sought to fawn on him. He rudely, brutally insulted them.

A quick pen picture of Lawrence is contained in a Penguin reprint of the two Lawrence chapters in Sir Ronald Storrs, "Orientations." The two chapters are not long. The volume has been built up by reprinting Storrs' chapter on Zionism and bringing it up to date. It is an argument for maintaining the balance between the Jews and the Arabs in Palestine.

* * *

Canadian Bulbs

Despite occupation of the Netherlands by Hitler, "Dutch" bulbs are being offered in the Canadian stores almost as usual this fall. But these tulips, narcissi and other fall-planted, spring-flowering bulbs have not come from the Netherlands, but from British Columbia, Great Britain and the United States where bulb culture is now producing limited supplies. Due to the cutting off of imports from the Netherlands, however, prices are higher and some lines, notably hyacinths, are scarce.

* * *

Calculated to Mislead

A letter in the Daily Telegraph London advises Britons not to be too much influenced by statements of Nazi airmen, shot down, that they are pleased to be out of it all and that the war will be over in a few weeks. The letter adds:

> "No doubt German pilots are explicitly told before they start for England what attitude they should adopt if captured, and how, by appearing dispirited and almost pro-British, they can strike yet another blow at us on Dr. Goebbels's behalf.
>
> "A too ready acceptance of the agreeable prospect they paint might merely weaken our determination. The war will be over when an armistice is asked for and signed—not before."

* * *

Brilliant Address

One of the most brilliant speeches yet made in the war period was delivered before the American Bar Association meeting during the past week. The speaker was Leonard W. Brockington, K.C., member of the Prime Minister's staff at Ottawa. There was virtually no reference to the address in Canadian papers.

Mr. Brockington spoke from notes, with no prepared manuscript. His address was broadcast in the United States, Canada and Great Britain. In Canada it was rebroadcast in the evening.

New Cost of Living Index Said Much More Accurate

From Our Own Correspondent

OTTAWA.—The new cost of living index for Canada developed by the Dominion Bureau of Statistics, which has issued the first report, creates a more accurate measure of the Canadian family budget.

The new index is the first really systematic and inclusive Canadian index in one of the most difficult statistical fields.

Based upon prices prevailing during the five years 1935 to 1939 inclusive, it will supersede the old Department of Labor index (1913 equals 100) and the Bureau of Statistics own index (1926 equals 100).

Collection of data on the 1935-39 base was begun back in 1938. It provides a Canadian index comparable with the United States Bureau of Labor index, which used the same base.

The new index will much improve Canadian statistics on economic and social trends and the purchasing power of the average Canadian family. It should prove of great value to Canadian business, and will provide an accurate basis for immediate wartime price control.

Up 5% Since War

The first report discloses that the cost of living in Canada has risen 5.1% in the first year of the war. In August, 1939, the index stood at 100.8, rising to 103.5 in the first month of the war, and advancing gradually to 105.9 in August, 1940.

Details on home-budget costs during the first year of war showed the fuel index advanced 9.5%, clothing 9.0%, foods 6.1%, home furnishings 5.9%, rents 3%, and sundries, 1.7%. Movements recorded by the new and old indexes have been closely in line.

Under the guidance of price statisticians of the Dominion Bureau, the new index required a major undertaking in statistical field work, a thorough nationwide sampling of prices. The field work, done largely by university students in home economics courses, compiled actual costs of wage-earner families, for fixed budgets of commodities, services and shelter.

Covers 12 Cities

Detailed records were taken from 1,439 families in 12 Canadian cities representing all nine provinces. The cities selected were Charlottetown, Halifax, Saint John, Quebec, Montreal, Toronto, London, Winnipeg, Saskatoon, Edmonton, Vancouver and Ottawa.

A preliminary survey of more than 45,000 families was conducted, and selection made of 1,439 that were chosen as typical.

The typical family, for purposes of the index, was one in which father and mother lived together, with one to five children living in the home, with not more than one lodger or one domestic servant; family earnings ranging from $450 to $2,500 in the year ending Sept. 30, 1938; and living in a self-contained dwelling unit. In the survey group there were 1,135 families of British origin, 211 French and 93 other families. About 10% of the families had a lodger in the home, less than 2% had a domestic servant. The average age of the head of the household was 40 years.

The survey showed that one third of the British families lived in owned homes, though there was wide regional variation in this figure. Only 16% of British families with annual incomes between $100 and $199 per person were home owners, but this proportion rose to 43% for families with income per person of $600 or over.

Home ownership at progressive levels of income per person is shown in the following table:

Home Ownership Ratios

	Income per Person					
	$100 -199	$200 -299	$300 -399	$400 -499	$500 -599	$600 & up
Families:	Percentages					
British	16	32	32	34	41	43
French	3	5	8	10	*	*

*Data lacking.

The survey showed possession of autos noticeably more prevalent than home ownership in the higher income groups, less common in the low income brackets. Ratios of families owning motor cars mounted from 13% for the British group in the $100-$199 income per person group, to 74% in the $600 and over group. The following table shows percentages of ownership of motor cars:

Auto. Ownership Ratios

	Income per Person					
	$100 -199	$200 -299	$300 -399	$400 -499	$500 -599	$600 & up
Families:	Percentages					
British	13	25	32	37	52	74
French	3	9	10	21	*	*

*Data lacking.

Average Outlay

The family budget records obtained by field workers covered several score separate items under 21 main headings.

Typical Family Living Costs
(Annual average)

	$	% of total
Food	443.00	31
Shelter	269.50	19
Fuel, light	90.50	6
Clothing	165.80	12
Home furn'gs.	125.70	9
Miscellaneous	319.40	23
Total	1,413.80	100

***Additional Outlay**

	$	%
Health	60.80	4
Personal care	23.90	2
Transportation	79.30	5
Recreation	82.10	6
Life insurance	73.30	5

*Beyond basic living costs. Percentages shown are ratio to basic costs for necessities.

From the information obtained in the survey, a revision was made in the weights assigned to items in living costs. The new index, compared with the old D.B.S. index, was:

	Revised Weights %	Old Index %
Food	31	30
Fuel	6	6
Shelter	19	20
Clothing	12	18
Home Furnishing	9	26
Miscellaneous	23	
	100	100

The average Canadian family, as shown by the survey, has a total living expenditure of $1,453.80, of which $1,413.50 is represented in the new index, the remainder representing miscellaneous outlay.

Here is the annual living expenditure of the typical Canadian family, as portrayed by the survey which developed the new cost of living index:

	Average expenditure	Per cent
Food	$443.0	31.3
Shelter	269.3	19.1
Fuel and light	90.5	6.4
Clothing	165.8	11.7
Home furnishings	125.7	8.9
Miscellaneous	319.4	22.6
Health	60.8	4.3
Personal care	23.9	1.7
Transportation	79.3	5.6
Recreation	82.1	5.8
Life insurance	73.3	5.2
	$1,413.8	100.0

Variations Shown

Average shelter costs, highest in Ontario, ranged from $357 per family in Ottawa to $234 in Charlottetown. Shelter costs were slightly higher in Vancouver, at $278 per family, than in the prairies, where the average was $267.

In transportation costs shown in family budgets, two thirds of the total on the average went for maintenance and operation of motor cars. Ontario families spent 9% of their budget on transportation, while the average in Quebec cities was only 4%.

Sectional Differences

Home ownership is more prevalent among western Canadian urban families. In Winnipeg, 48% of the survey families owned their own homes, 46% in Vancouver, 44% in Edmonton. Tenancy was characteristic of families in Quebec and Montreal.

In the Maritimes less than one fifth of the families owned their own homes. In Ontario 25% of the families owned homes.

Motor car ownership figures showed that 45% of the Ontario families operated cars, compared with 30% in the West, 10% in Quebec province, and 20% in the Maritimes.

Price Movements

Index figures based on the survey show the following movements in 1939 and during 1940 to August:

Cost of Living Index
(New Basis)

	1939	1940
January	101.1	103.8
February	100.7	103.8
March	100.6	104.6
April	100.6	104.6
May	100.6	104.9
June	100.5	104.9
July	100.8	105.6
August	100.8	105.9
September	100.8	
October	103.5	
November	103.8	
December	103.8	
Average	101.5	

Wholesale Index

The wholesale index prepared by the Dominion Bureau of Statistics may be taken to foreshadow movements of retail prices and cost of living figures. Raw material prices have advanced on the average by 20% since the outbreak of war, though prices of finished products are up only 3 or 4%.

Advances in Wholesale Prices
August, 1939—June 28, 1940

	%		%
Woollen cloth	54	Cotton fabrics	16
Misc. fibres	44	Furniture	12
Silk fabrics	30	Hides, skins	10
Fresh meats	27	Rubber prods.	9
Grains	27	Coal	8
Raw cotton	25	Milk	6
Milled products.	21	Lumber	6
Fish products	20	Petroleum prods.	4
Sugar products.	18	Hardware	3

In only two instances among 36 principal commodity groups have wholesale prices shown a decrease since August, 1939. They are prepared meats, down 4.5%, and asbestos products, down 5%.

Different From 1914

Price movements have exhibited market differences in the first year of this war, compared with 1914-18. There was no substantial increase during the last war until 1916, and the price index advance in the first year, 1914-15, was 1%.

FOR REAL PLEASURE IN A PIPE YOU MUST TRY HERBERT TAREYTON.

HERBERT TAREYTON SMOKING MIXTURE

T-240

THERE'S SOMETHING ABOUT IT YOU'LL LIKE

Back to School and College with a new ROYAL PORTABLE

Royal's new portable—"The Commander"—was designed especially for school and college students. A real typewriter, with standard keyboard, finger comfort keys, automatic ribbon reverse and of sturdy, dust-proof construction, it is still light enough to carry with ease. It has Royal's famous TOUCH CONTROL* which makes key tension adjustable to finger pressure. Many business men also find it ideal for home use and when travelling. Priced at $49.50 including carrying case and obtainable on easy monthly payment plan if desired. See the new "Commander" at your Royal dealer's.

*Trade Mark

ROYAL TRADE MARK

Made in Canada • by Canadians • for Canadians
ROYAL TYPEWRITER COMPANY, LIMITED
Factory and Head Office: 7035 Park Ave., Montreal
DEALERS IN ALL PRINCIPAL CITIES

IS YOUR PLANT
Crowded to Capacity?

Use this 3-Way JOHNS-MANVILLE Service to Speed the Work of Expansion and Modernization

If your production is pushed to the limit and you still can't keep pace with orders, there's only one answer . . . *expansion or modernization of your plant facilities.* And that's where Johns-Manville can help you. J-M solves expansion and modernizing problems—and speeds up the work—with this three-way construction service:

1: QUICK DELIVERY on the wide range of Johns-Manville Industrial Roofings and Sidings, Insulating Board Products, Rock Wool Insulation, Industrial Flooring and other essential building materials. J-M not only has fully adequate manufacturing facilities, but also owns and operates the largest asbestos mine in the world (at Asbestos, Que.) controlling its own principal source of raw materials.

2. J-M ADVISORY SERVICE on construction specifications and methods—backed by 82 years of manufacturing experience—helps you to plan your over-all building or remodelling job with minimum interruption to present plant operations and production.

3. J-M'S QUALITY STANDARDS—of production and application—safeguard your investment in plant expansion . . . and assure long-term future satisfaction and low maintenance, as well as time savings *now.*

A telephone call, wire or letter will bring a qualified J-M representative to your office "on the double". Johns-Manville maintains a dominion-wide organization to give you quick answers to your building problems—and quick action on your needs.

* J-M BUILT-UP ROOFS * J-M CORRUGATED TRANSITE SIDING * J-M INDUSTRIAL FLOORING * J-M INSULATING BOARD PRODUCTS * J-M ASBESTOS WALLBOARDS * J-M ROCK WOOL INSULATION * J-M INDUSTRIAL INSULATIONS * J-M REFRACTORIES * J-M ACOUSTICAL SERVICE AND MATERIALS * J-M PACKINGS AND GASKETS
and other essential materials for Factory, Mill, Shop, Office

IBM-406K

JOHNS-MANVILLE PRODUCTS JM

JOHNS-MANVILLE BUILDING MATERIALS

A FULL RANGE FOR MODERN BUSINESS

ENVELOPES of all types

GLOBE ENVELOPES
Makers of Well Gummed Envelopes
Montreal TORONTO Winnipeg

Investment Trends

War Leaders Hint Changes Are Coming

Ilsley Refers to Necessity of Curtailing Purchases in Many Fields But Suggests Full Employment of Displaced Facilities

Stocks have held in another of those lethargic periods for the past week or two which have been so common for many years now. With trading activity at a low ebb, there has been little of interest in the action of markets here or in the United States.

Current levels are still regarded as critical ones by many. It is just about where stocks are now that recent upward moves have met disaster. Always there has been a return to the attack, but many observers continue cautious on the basis that sooner or later we are bound to see a test of the support waiting for stocks at the May-June lows. This test has still to be weathered, in their opinion, and the wide prevalence of this idea may account for failure of any important speculative interest to develop.

In the statements made before an important Toronto audience by leaders in Dominion finance, war and economics, as reported elsewhere in The Financial Post, there is real basis for careful thought over the outlook for many stocks. Strong hints were given that some articles which have become everyday conveniences will become more costly or go off the market altogether. Specifically mentioned were durable goods such as refrigerators, radios, automobiles, on the manufacture and sale of which thousands of people depend for a living.

There was indication that more and more a larger proportion of Canadian income is going to be diverted to meeting war needs. How great the need will be cannot be foretold even by the Minister of Finance himself.

• • •

The Main Purpose

Emphasis everywhere at this public interview was placed on keeping the main purpose in sight. This is to win the war. Without success in this primary objective, there can be no safety for investments of any kind.

Thus, it seems logical that investors should model their investment programmes along lines likely to interfere least with this objective. It will not aid the war effort if common-sense moves to safeguard hard-earned capital are neglected. Allowing always for a backlog of Dominion bonds, proceeds of which goes directly to pay for war materials and needs, it may be logical to avoid those industries which may be subject to discrimination because of their non-essential character, or which are unable to turn to manufacture of war materials.

Mr. Ilsley gave a strong hint that factory capacity now devoted to making articles we are going to have to get along without is of a nature readily converted to direct war efforts. This kind of production is going to keep all available capacity working, he said.

• • •

Not Orthodox

First year of war has had effects upon the London stock market which were not expected when the war started. Orthodox thinking expected common stocks of firms busy making war materials to appreciate. In theory, profits for such firms would keep pace with the inflation regarded as inevitable.

Actual experience, however, has been quite different. Strict control of the capital market by the Government and shutting off new issues directed a large amount of funds into government securities where minimum prices had been provided. Profits were restricted by the 100% excess profits tax, while net yields were even further lowered by higher income taxes. Possible damage to plants by air raids was a new factor to be considered.

As a result, while prices of gilt-edged and some fixed-interest securities are at least as high as at the beginning of the war, most common stocks, including gold-mining securities, are considerably lower. The British Government still has to finance the greater part of its current deficit.

Competition with existing securities from new war loans will prevail and there will inevitably be increasing signs of inflation, it is claimed.

• • •

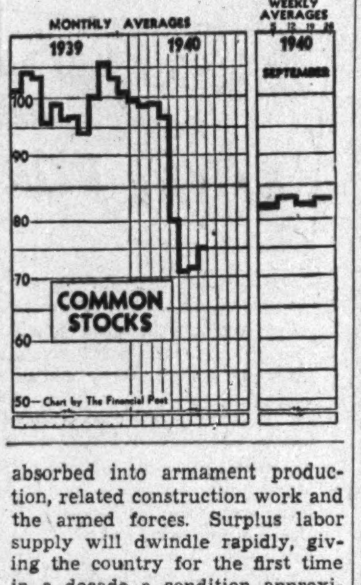
A New Industry Rises

National defense may be regarded as a new industry which can be responsible for another boom in the United States, such as followed the railroad construction period, or the electric utilities and automobile industry period of recent decades.

Delafield & Delafield, members of the New York Stock Exchange, point out that some economists have held no real return to prosperity in the United States was possible without the rise of a new industry to impart a powerful stimulus to the nation's economy.

This firm sees national defense spending on the scale now contemplated having the following effects:

1. Industrial production will rise to new record levels, characteristic of eras when great new industries come of age.
2. Construction of plants, army camps and fortifications, as well as homes for national defense workers, become necessary, and will be rushed with all possible speed.
3. Unemployed persons will be absorbed into armament production, related construction work and the armed forces. Surplus labor supply will dwindle rapidly, giving the country for the first time in a decade a condition approximating full employment.
4. Prices for raw materials and manufactured goods entering into the defense programme will strengthen, especially in the programme's later stages.
5. A new peak should soon be attained by the national income, which will expand demand for civilian goods, passing the stimulus on to many industries not concerned with the production of military supplies.



• • •

Not a Normal Boom

Ordinarily, national defense appropriations do not result in a higher living standard, but rather in a reduced one, the pamphlet points out. But at present this standing comes at a time when American industry is not at full capacity and has ample reserves of labor and plants.

It is admitted that the favorable aspects of this coming boom are bound to be viewed with more public scepticism than existed in previous booms because of the possibilities that defense spending could be reduced rapidly with a change in the international political sphere. Greater burdens of taxation are expected.

Although the U. S. appears heading for a prolonged period of high industrial activity, it springs from unnatural rather than basic causes and brings with it a stimulus which is limited by time, rather than one which will contribute permanently to the national economy.

Standard Paving Omits Dividend

Lack of Road Building Curtails Earnings of Company

Decision to defer any dividend on the preferred shares of Standard Paving & Materials Ltd. at this time is due to "spotty" nature of the firm's business this year. Road work has been practically non-existent and the company has had to look to other work to keep busy. Some war contracts have been obtained, but it is said that total volume is small.

Consolidated Sand & Gravel, a subsidiary, has fared better. Demand for its products has kept up to a good level and earnings are said to be maintained better than the Standard Paving itself.

The company paid the initial dividend on its new preferred on April 25, 1940, covering the six months ended Sept. 30, 1939. With the omission of any payment at this time, arrears will be 62½ cents a share.

INVESTMENT SECURITIES

NESBITT, THOMSON & COMPANY, LIMITED
355 St. James Street West, Montreal
Branches in the principal cities of Canada

NEW VICE-PRESIDENT

Justin M. Cork was elected vice-president of Loblaw Groceterias Co. following the annual meeting. Mr. Cork has been a director since 1936 and recently has served as assistant general manager, which position he continues to hold. He joined the staff of the company as a youth and has been with it since.

Loblaw Inc. Profits Up

U. S. Company Opens Nine New Stores Since February

Sales and earnings of Loblaw Groceterias, Inc., United States retail grocery chain, showed a slight improvement in the first seven months of the current fiscal year ending Feb. 28, next, as compared with the same period of 1939. Frederick K. Morrow, president, advises The Financial Post. Earnings in the year ended March 2, last, were equal to 89 cents per share on the common stock.

Number of stores has been increased by nine to 116 since March 2 last, Mr. Morrow adds. This represents an increase of about 26 stores since early 1939. A considerable amount of modernizing of other units has taken place.

The company charges off incidental opening expenses of new stores during the first period's operation, according to Mr. Morrow, in line with the policy usually followed by chain store companies.

A new warehouse was opened in Syracuse, N.Y., and it was stated in an earlier announcement to be the company's intention to establish 40 to 50 stores to be serviced from it.

Disher Steel Business High

Earnings Justify Dividend But Action Awaits Tax Ruling

Volume of business handled by Disher Steel Construction Co. in the past few months has been far ahead of any recent period, The Financial Post is told. Last month the company turned out as many tons of steel as it had done in any of the past nine years.

On the old basis of taxation earnings to date in 1940 are well ahead of last year and would justify a substantial dividend payment on the class A preferred. Until some decision can be obtained from Dominion authorities on the application of the new taxes on the company, however, directors have decided to postpone any action.

Disher Steel has gone through a long period of small earnings. It has reported a profit for each of the past four years but the average for 1936-7-8-9 would be less than $12,000. Capital assets are written down to low figures and the company feels that a ruling from the board of referees, which is still to be appointed, is necessary.

A large part of the business obtained this year has not been directly tied in with war work although Disher Steel has done a good deal of work for the Government. Business on hand assures a good scale of operations into 1941. Some plant improvements may be made but the amount needed for this purpose is said to be small.

No dividends have been paid on the class A preferred since the end of 1939 and payments were irregular prior to then. Arrears at Feb. 1, 1940, amounted to $9.37½ a share.

Silverwood's Sales Best In Decade

Plan to Smooth Way For Com. Div.—Major Plant Additions Under Way

Coincident with substantially increasing business, Silverwood Dairies, Ltd., has in hand major plant expansion involving total expenditure of $110,000 for buildings alone—cost of equipment extra. Among other features of operations officially reported to The Financial Post is the increase of working capital in six months by $50,000 to over $600,000. Also, the way is being cleared towards paying an initial dividend on the present common stock.

The company concluded the best six months in at least 10 years during the period ended Sept. 30—the first half of the fiscal year ending about March 31, next. Sales are substantially higher, net profit is also increased. Net profit of $150,067 in year ended March 31, last, was the best since 1933, and greatly in excess of the figure for 1938-39.

Thousands of New Customers

Ice cream sales showed a small improvement in the period April 1 to Sept. 21. Butter and milk sales have grown, and the company is only slightly below its objective in milk sales of an average of 100,000 quarts daily.

At Hamilton a new $50,000 plant has been built to house the milk and ice cream departments from the building acquired from Acme Farmers Dairy at the first of the year. Purchase of Acme's Hamilton assets was made for $100,000 at the beginning of the year. The old Acme unit is to be used as an ice and storage plant.

Smooth Way for Dividend

A meeting of holders of the 6% registered sinking fund debentures has been called for Nov. 1 to consider an adjustment in terms of the trust agreement, which has delayed payment of a common dividend.

The trust deed provides:

(a) No common dividends to be paid which would reduce current assets below $500,000;

(b) No common dividends to be paid which would reduce surplus below $200,000.

Terms of the trust deed for the 5% bonds are not so stringent, and allow dividends to be paid on common stock provided surplus is not reduced below $100,000. The amendment to the trust deed for the 6% debentures would bring it into line with the terms regarding surplus as provided in the trust deed for 5% bonds.

Working Capital Higher

Provision regarding maintenance of $500,000 of current assets is being kept by a good margin. Working capital at Sept. 30 is reported officially at in excess of $600,000, compared with $549,172 at March 31, last. Surplus of $116,219 was shown at March 31, last, and this has been increased substantially since. A sufficient margin would be available for a payment to common shareholders, provided the amendment to the trust deed is approved by 6% debenture-holders.

The company is continuing to redeem at market, prior to maturity, series A 5% first mortgage bonds. During the year ended March 31, last, $40,000 was redeemed. Another $60,000 matures in January next, and $90,000 in each of the following ten years to 1951.

Taxes Heavy

The company may be hard hit by the new "excess" profits tax, so application is to be made for a hearing before the referee board being set up in Ottawa. This is in accordance with terms of the "depressed businesses" ruling. The company's average earnings, before taxes, during the four-year period 1936-39 were substantially below the expected profits for the current year.

Opposition Heard

Suggestions have come to The Financial Post that opposition to the proposed changes in the debenture trust deed may develop. It is claimed that the proposals take away a certain protection that belongs to debenture holders in that it will not be necessary to build up as strong a surplus before paying common dividends. It is also suggested that preferred shareholders find the proposals a potential threat to their interests.

Whether or not the opposition will develop into anything important cannot be said as yet.

Investment Notes

Gatineau Power—The effect of the new taxes on corporate earning power is shown in the quarterly statement issued by the company. For the three months ended June 30 the company reserved $648,054 for taxes, as against $177,748 in the like period last year.

• • •

M. & O. Paper—Holders of existing 6% first mortgage bonds get $500 in new 5% income bonds and 40 shares of new common for each $1,000 bond, as well as a small cash adjustment to equalize interest arrears, in the reorganization plan which bondholders are being asked to accept. In The Financial Post of Sept. 28, the figures for the original plan were quoted indicating that bondholders got $400 in 4% bonds as well as stock. This was later amended to give bondholders the additional securities and raise the interest rate by 1%.

• • •

Canadian Vickers—Orders for aircraft totalling $271,149 were awarded to Canadian Vickers in the week ending Sept. 20.

• • •

Ford of Canada—Among war orders announced Sept. 27 are five items aggregating $4.8 millions for land transport given to Ford of Canada.

B. Greening Wire—The president refers in his annual report to a reserve of $160,000 provided from earnings against possible inventory losses. This came off ahead of net operating profit as shown in the statement of $406,959. Inventories are shown at $499,167 on the balance sheet, after applying this $100,000 reserve, on a basis not exceeding lower of cost or market. Thus, the company actually doubled its net earnings before taxes in the latest year although reporting net profits of only 83 cents a share against 71 cents in the previous period.

Dosco Passes 1939 Pig Iron Output

From Our Own Correspondent

MONTREAL. — Dominion Steel & Coal Corp.'s steel mill at Sydney continued at capacity during August, producing 34,000 tons of pig iron, or nearly 50% more than for the same month last year when output totalled 23,000 tons.

For the first eight months this year Dosco produced 260,000 tons of pig iron. This is greater than the output for all of last year and compares with 155,000 tons produced in the first eight months of 1939.

U. S. PAPER OUTPUT

From Our Own Correspondent

MONTREAL.—Rate of production in the United States paper industry, excluding paperboard, according to the American Paper and Pulp Association's index of paper mill activity, was 88.5% for the week ended Sept. 21.

Market Opinions

There is little change noted in the cautiously optimistic forecasts of stock market moves made recently.

Barron's N.Y. (The Dow Theorist)—The present probability is that, regardless of whether the secondary advance which began in May-June has reached its high, a reaction will follow. The longer an advance lasts and the higher it gets, the greater becomes the probability of a decline.

Should the decline, whenever it comes, take both averages below the May-June lows of 111.84 in the industrials and 22.14 in the rails, it would be a wholly orthodox movement extending the primary downtrend.

• • •

Barron's, N.Y. (The Trader)—Mounting business activity is forecast for some months to come, and normally, in the past, this has also spelled rising stock prices. The movement may, in general be delayed or retarded by defeatist sentiment over political and war developments, and, in particular, by English selling, but it should logically enter the fruition stage when the now-assured intense industrial and business activity is translated into financial expansion.

• • •

Brookmire Counselor, N.Y.—Business indices keep scoring advances week after week with monotonous, yet welcome, regularity. At the same time the British continue to defend their island stubbornly, and to lash back furiously at German bases. But it is still uncertain whether the air attack on Britain has reached its climax; nor can it be definitely said whether or not a land invasion will be attempted for this season. The long-term trend warrants clients in maintaining well-balanced portfolios, even though the immediate outlook appears somewhat obscured.

• • •

The Economist, London (Sept. 14)—The chief influence on markets of the new "barbaric" phase of aerial onslaught has been to render dealing technically more difficult. Not only is the "House" itself in a heavily bombed area, but difficulties of transport and communications have depleted attendance, delayed posts and complicated the use of telegraph and telephone services. These material difficulties have failed to depress Stock Exchange sentiment. It is inevitable that, in such circumstances, trading should be conducted on a considerably reduced scale. Few are eager to enter into fresh commitments, but there has been no pressure to sell.

• • •

The Annalist, N.Y.—These characteristics of the market's behavior during the summer months indicate that the technical position is strong. Unfavorable news and market declines bring out little volume and when opportunity offers prices move upward. As yet, however, no aggressive speculation for the advance has developed and buying has generally been of a cautious character. Certainly nothing suggesting the passing of stocks from strong hands to weak has made its appearance. On the basis of purely technical considerations, it would appear that the line of least resistance is upward, although it is true that technical conditions could reverse themselves abruptly on unfavorable news from Europe.

Await Setting Up Of E.P.T. Board

From Our Own Correspondent

OTTAWA.—Hundreds of Canadian companies are still wondering what "excess" profits tax they will have to pay on the current year's operations. Everything depends on whether these companies will be classified as "depressed industries" on application to the Board of Referees to be appointed under E.P.T. regulations.

So far there is no intimation of when this board will be appointed though it is expected to be fairly soon.

Page-Hersey Sales Higher

Capacity Operations Necessary to Meet Domestic and Export Demand

Domestic sales by Page-Hersey Tubes, Ltd., in the first nine months of 1940 show a large increase over the same period of last year, C. L. Dunbar, president, announces.

Export demand continues "most active," he adds, "but your company is able by capacity operations to meet the abnormal tubular requirements of its valued customers in the British Empire and of its many friends abroad."

Page-Hersey has experienced a substantial improvement in operations since the end of the first quarter of this year. At that time Mr. Dunbar told shareholders incoming domestic orders showed falling off as compared with the last quarter of 1939. The company was hoping for a revival of domestic demand in the spring. With a "large increase" in domestic sales now reported, it becomes evident that the hoped-for revival took place.

New Mill Helps

This year Page-Hersey will have the benefit of the new continuous tube mill placed in operation this January. Added capacity and ability to produce new types of tubing were provided by this mill.

In 1939, Page-Hersey set a nine-year record for sales and earnings. Net profit was equivalent to $6.46 a share on the common and it is expected that this figure will be exceeded in 1940. The regular dividend has been increased to $5 a share and continued improvement in earnings will probably give shareholders grounds to hope for a bonus.

National Biscuit Sales Up 7%

Sales volume of National Biscuit Co. is running well ahead of a year ago, according to New York reports. Due to higher taxes, however, earnings for the three months ended Sept. 30 are not expected to any more than about equal those of the like 1939 period. The company reported net of $3 millions or 41 cents a common share in three months ended Sept. 30, 1939.

The company is maintaining its competitive position, with sales volume on both a dollar and pound basis understood to be exceeding a year ago by about 7%. It is considered doubtful, however, if the larger volume expected for the remainder of the year will offset the higher taxes.

Business of subsidiaries in Canada and England is understood to be showing material gains, but high taxes and decline in foreign exchange has resulted in a decline in profits received by the parent company. Foreign business contributed 12% of the 1939 net.

C.P.R. Income Up in August

Net Earnings for Eight Months Period Best Since 1929

From Our Own Correspondent

MONTREAL.—August net earnings of Canadian Pacific Railway Co. at $2.3 millions show an increase of $1.4 million over the same month in 1939.

In the eight months' period to Aug. 31 last the net totalled $17.3 millions or $10.4 millions over the like period last year. This figure was the most satisfactory for the company since the corresponding eight months' period in 1929 when net earnings totalled $24 millions.

Earnings Statement

	August 1940 $	August 1939 $
Gross earnings	15,512,882	12,655,360
Oper. expenses	13,249,285	11,749,410
Net earnings	2,263,597	905,959
—First Eight Months—		
Gross earnings	106,200,972	86,120,608
Oper. expenses	88,896,538	79,237,154
Net earnings	17,304,434	6,883,454

Net Earnings in Eight Months

	$		$
1940	17,304,434	1934	10,636,528
1939	6,883,453	1933	6,968,123
1938	3,679,387	1932	6,808,794
1937	9,932,228	1931	9,692,314
1936	8,404,564	1930	16,276,085
1935	8,096,541	1929	23,984,640

G. W. Saddlery Sales Higher

Fall and Winter Outlook Clouded By Uncertainty Over Wheat Sales

Sales of Great West Saddlery Co. have been very satisfactory to date this year, The Financial Post is informed. Business in the first six months of the year was particularly good and summer season held up quite well.

Prospects for the balance of the year, however, are uncertain. Western farmers have a near record wheat crop which is nearly harvested, but how they are going to realize on it is still not known. Until this uncertainty is removed, outlook for fall and winter sales in the prairies cannot be viewed with any great optimism, it is said. On the other hand a policy favorable to the western farmers on the part of the Government could quickly change the situation.

For this reason company officials are reluctant to make any forecasts as to earnings for 1940, although admitting that so far they have been better than last year.

A dividend of 75 cents per share has been declared by the Great West Saddlery Co. on its first preferred stock. The distribution will be made Oct. 30 to shareholders of record Oct. 17.

Previous payment of 75 cents was made July 20 and $1.50 on March 30.

Significant Investors' Index Numbers

1926 = 100

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg., mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
1929-39:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940: Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.3	23.4	98.4	158.2	90.7	184.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	85.1	47.1	99.1
Apr.	132.5	24.6	85.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.1	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
June	93.2	13.1	62.9	100.2	70.3	144.1	106.9	103.3	47.0	74.7	35.8	71.9
July	92.0	13.9	67.1	101.3	74.5	145.8	114.2	102.3	47.1	70.0	35.5	72.5
Aug.	96.5	15.3	68.4	104.4	76.9	150.1	120.3	107.8	48.6	72.1	37.1	76.0
Weekly Figures:												
Sept. 5 ..	107.8	16.7	71.9	118.7	80.5	156.3	123.6	119.2	50.4	75.5	39.2	82.4
Sept. 12 ..	106.4	16.3	80.6	123.4	83.0	164.9	124.9	120.9	51.4	76.6	39.5	83.6
Sept. 17 ..	105.1	16.2	81.6	120.7	81.9	164.1	124.6	121.0	51.2	76.4	39.1	82.7
Sept. 26 ..	106.5	16.3	83.5	118.9	83.2	165.2	126.5	123.1	52.0	76.0	39.3	83.4

*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Oct. 1	104.23	95.88	68.75	22.83
Sept. 30	102.99	96.06	68.53	22.96
Sept. 28	102.98	97.46	68.25	23.03
Sept. 27	103.16	97.16	68.33	22.78
Sept. 26	104.06	98.20	69.10	23.19
Sept. 25	104.63	98.39	69.42	23.26
Month ago ..	92.13	93.24	65.73	21.71
Year ago	120.60	104.86	80.33	32.12
High, 1940 ..	128.84	123.80	88.97	33.31
Low, 1940 ..	86.00	77.34	56.81	18.44

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Cmd.	10 Pprs.	15 Golds
Oct. 1	56.6	70.1	65.6	92.20	74.73
Sept. 30	56.9	68.9	64.9	88.43	73.01
Sept. 28	56.7	69.0	64.9	88.42	73.33
Sept. 27	56.9	68.8	64.8	88.28	73.94
Sept. 26 ...	57.3	69.4	65.3	88.59	73.79
Sept. 25	57.0	70.2	65.7	89.83	74.47
Month ago .	53.9	68.9	62.0	90.42	70.28
Year ago .	62.7	85.9	78.2	136.31	92.42
High, 1940 .	69.2	92.2	84.4	152.63	100.81
Low, 1940 ..	50.7	56.0	54.7	66.44	53.16

Brazilian Net Gains Slightly

Second Month to Increase — Exchange Outlook Alters Slightly

August earnings of Brazilian Traction, Light & Power Co. show a minor improvement over 1939 for the successive month. Figure of $1.6 million is up over 1% from Aug., 1939. In each of the first six months of 1940, the comparison was unfavorable, while in July increase in net earnings was nearly 1% from the same month of 1939.

In spite of the better July-August showing, earnings for the eight months ending Aug. 31 still are not as high as the same period of 1939. Net earnings of $12.3 millions are off nearly 7%. The decrease in net earnings as compared with the corresponding period in the previous year is more than accounted for by the decline in exchange, according to an official of the company.

Exchange Outlook Alters

Chief factor holding back dividends on the common stock is the shortage of foreign exchange in Brazil, which makes it difficult to export funds for payment in Canada. In this connection, prospect of some improvement is contained in a Washington report, which states discussions are under way looking toward an apportionment of existing markets among South American coffee exporting countries — principally Brazil. Elimination of continental European markets has resulted in reduced exports, and price reductions of one to three cents per pound, it is stated.

It is further reported that the present coffee policy of Brazil is to be retained. This calls for purchase in the market by the Government of several million bags of coffee, and establishment of 13 million bags as the estimated crop in 1940-41. While exports are not expected to reach this amount, it is felt the surplus to be incorporated in the 1941-42 crop would not exceed that of other years. Hope is held out that the export situation may be clarified by that time.

August:	1940 $	1939 $	Incr. %
Gross earn. ...	3,155,326	2,964,112	6.45
Oper. exps. ...	1,589,732	1,416,660	12.22
Net earn.	1,565,594	1,547,452	1.17
Eight Mos. end. Aug. 31:			
Gross earn. ...	24,484,820	25,328,273	*3.33
Oper. exps. ...	12,190,683	12,148,470	0.35
Net earn.	12,294,137	13,179,803	*6.72

*Decrease.

Bowaters New Mill To Be Ready Jan. 1

From Our Own Correspondent

MONTREAL.—The new sulphite mill of Bowaters Newfoundland Pulp and Paper Mills Ltd. is expected to be in operation by Jan. 1, according to H. M. S. Lewin, general manager.

Stedman Profit At Record

Rents New Toronto Space to Handle Christmas Trade

Stedman Bros., operating a wholesale and retail smallwares business with 66 stores from the Maritimes to Alberta, concluded probably the busiest period in history of the company in the nine months ended Sept. 30.

No let-up is anticipated immediately, and business in the final three months of the year promises to continue at the exceptionally high level. Figures for the full 12 months should show a substantial increase in both net profit and sales as compared with 1939. This would be the eighth successive year the company has shown a jump from the previous year. Earnings have been higher in spite of increased taxation, including the "excess" profits tax.

The improvement has resulted from increased civilian demand in Canada due to the increased tempo of business, particularly in Ontario and Quebec, resulting from war demand. Shipments for next Christmas have been moving since last June. To handle the additional shipping and storage demands for this business alone, it has been necessary to acquire three additional floors in a building near the company's main building in Toronto.

Office facilities also have been enlarged. A night shift is now being maintained four nights a week on 11-hour shifts.

Saint John Power Use Gains 11% in August

From Our Own Correspondent

MONTREAL.—Saint John's Civic Hydro Commission reports total consumption of electrical energy for August at 1,172,904 kw.h. This contrasts with 1,057,550 kw.h. for the month last year, an increase of 11%.

FEATURES
in the October issue
THE CANADIAN CHARTERED ACCOUNTANT

War Contracts Depreciation Board.
Calculation of taxes under *The Corporations Tax Act* of Ontario.
The Lake Shippers' Clearance Association.
Industry in Saskatchewan.
This Dear Land, This Britain.
The Literary Elegance of the Bible.

Published monthly. $3.00 per annum. Subscription open to all. Sample copy sent on request. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

Who are Canada's Key Men of Business?

You will be able to get the answer to this question in the forthcoming new edition of The Financial Post

DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS
1941

The only publication of its kind in the Dominion, this famous "bluebook" will list over 7,000 names of men who have built up Canadian business institutions — data of inestimable value.

In rich Keratol binding
Pages 9" x 6" $8

EDITION LIMITED — ORDER NOW!

THE FINANCIAL POST
481 University Ave.,
Toronto, Ont.

MARK WHICH

Send me The Financial Post Directory of Canadian Directors and Officials, a publication for which I agree to pay Eight Dollars. ☐

Send me circular giving details as to contents of Directory of Directors. ☐

Name ....

Address ....

....

Bond Markets

Market is Overflowing With Corporation Bonds

But Investors Complain Prices of High-grade Issues Too High — Next War Loan May Be in January—Saskatchewan Refunds $3 Millions

The paradox of bond prices continues to stir speculation among investors.

The market is overflowing with corporation bonds at prices which normally would be regarded with great favor. High-grade government issues, to the contrary, are commanding prices which some would-be buyers complain are too high.

Persistence of high prices on Dominion issues, it is felt, should mean a reversal in the downward trend of interest rates for new issues.

It would take little to set off the demand for corporation bonds. The rapidly increasing tempo of Canadian business resulting from war demand has provided some fillip, but not what ordinarily could be expected. Another favorable factor is that these issues are not affected directly by increases in corporation taxation. Buyers of corporation bonds still seem to be awaiting a lead from New York, which in turn appears to be reluctant to do very much while awaiting further moves by Hitler.

Figures released by Hon. J. L. Ilsley this week indicate that—at present rate of expenditures for the war—the Dominion may have to float another war loan about January. His calculations suggest another $50 millions—possibly up to $250 millions—will have to be borrowed to finance the country to March 31, next.

The hurdling by Saskatchewan of the final big maturity obstacle of the year is received with a sigh of relief by bondholders. Total of $3 millions met Oct. 1 brings the province's total maturities of the year to $7.5 millions.

• • •

Next War Loan

"If you can tell me whether Mr. Hitler is going to invade Great Britain, I will be able to give you a much better estimate of what maintenance expenditures at the front are likely to be," Hon. J. L. Ilsley replied in Toronto this week to a question of how much the war is costing Canada. He did release figures, however, indicating what the expenses are if the war continues at the present level.

The breakdown suggests the minimum amount to be borrowed publicly by a third war loan to conclude the fiscal year ending March 31, next, is about $50 millions. This indicates an offering may be made about January. But Hitler could upset the calculations almost over night.

The figures as outlined by Mr. Ilsley are condensed in the following tabulation. They indicate the minimum additional amount needed to be borrowed by March 31, next, will be $51 millions, but this does not take into consideration the amount needed to repatriate Canadian securities in London, to provide Great Britain with Canadian dollars to finance its expenditures in this country. Previous estimates have placed this figure at probably $200 millions but Mr. Ilsley emphasizes that estimating even for a three months period is uncertain today.

Dominion Revenues and Expenditures

Estimates for Fiscal Year 1940-41

	$ millions
Estimated expenditures:	
Civilian	*448
War	900
Total estimated expenditures	1,348
Less: Cash on hand Apr. 1, 1940	187
Total new money needed	1,161
Less: Est. rev., includ. new taxes	†760
To be borrowed	401
Less: Obtained by Sept. war loan	300
Est. from savings certificates	50
Min. additional borrowings by Mar. 31/41	▲51

*After deducting $77 millions, which represents reduction from ordinary peacetime expenditures.

†Including $172 millions estimated as revenue from new taxation.

▲An additional unpredictable amount may be required to repatriate Canadian securities in London.

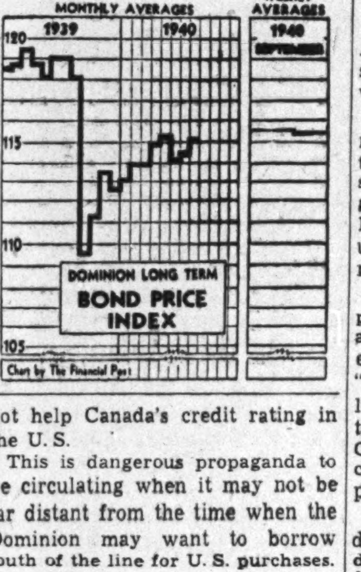
• • •

False Impressions

The slow initial response to Canada's second war loan may be creating some false impressions in the United States, judging from comments in American papers.

"Business Week," in its Canadian letter, describes the methods used in selling the bonds as "teeth-pulling processes, which were as painful to the treasury extractionists as to the patients." The paper was good enough, however, to explain in fairly convincing style that it was not the inability of Canadians to pay for their war but rather other factors responsible.

Another weekly, "The Annalist," did not go any farther than to report the response was disappointing; and that "many corporations may have impaired their working capital in order to assure the success of the loan." The lack of explanation—no doubt a policy followed by many other United States papers—may



not help Canada's credit rating in the U. S.

This is dangerous propaganda to be circulating when it may not be far distant from the time when the Dominion may want to borrow south of the line for U. S. purchases.

• • •

Common Argument

One of the common arguments against buying high-grade bonds for investment is the low yield, it is outlined in a release from Midland Securities Ltd. Yields of 5, 6 and 7% on good common stocks are attractive—on the surface. The comparison, it suggests, is unjust.

Bond yields, it is pointed out, are calculated to the maturity of the bond, at which date the holder is returned his money in full—sometimes with a premium. Not so with stocks, on which the yield is not one in the same sense as a bond yield—being instead an annual rate of return.

No common stock, the company argues, will pay dividends forever. Consequently some part of a dividend must be regarded as return of capital. A stock paying 6¼% annually, in order to repay principal invested plus a net income of 3⅛% per annum—yield on the second war loan—must continue the dividend for 23 years uninterruptedly.

It is true, the company concedes, that a common stock may move up in price on future prospects, with the result the investor can regain his principal before the anticipated 23 years have elapsed. But it is true also that the company may be bankrupt inside of a few years.

These possibilities of improvement or deterioration are not present, it continues, in the case, for instance, of a second war loan bond. Some fluctuation in price is possible, but this will be relatively narrow compared with stock price movements. It is primarily determined, moreover, by interest rates — not temporary waves of optimism and despondency.

• • •

Still Light

Corporation bonds have provided the major share of interest in what bond trading there has been. Volume continues light, with quotations on some corporation issues marked up.

Speculative paper bonds featured the list. Some preference is felt toward the grain elevator issues, in view of the large grain crop straining the elevator capacity throughout the West. Gains were recorded by some of the utility group.

No demand has developed for high-grade government issues. Among the provincial bonds, Manitoba issues showed the only gains, with Ontario firm and Alberta and Saskatchewan unchanged to fractionally easier.

• • •

Bond Index

The D.B.S. index of long-term Dominion of Canada bonds at 115.6 for week ending September 26 was down 0.1 point from the previous week. It was six points higher than in the same week of last year and up 0.1 point from the corresponding week of the previous month.

DOMINION OF CANADA
Long-term Bond Index

	Latest week Sept. 20-26	Preceding week Sept. 13-19	Weekly average year ago
Price	115.6	115.7	109.6
Yield	71.4	71.3	78.6

Foreign Exchange

During the week Sept. 24 to Sept. 30 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Sept. 30

Australia	3.58	N. Zealand	3.61
India	.3360	S. Africa	4.47
Japan	.2602	Hong Kong	.2656

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

INDUSTRIAL BUILDING

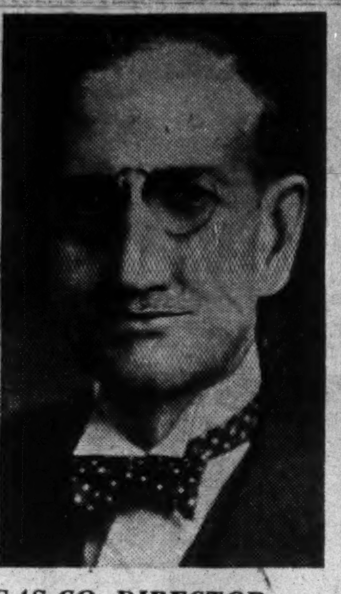
FOR small industry, ample grounds, single storey, no posts, glass both sides. Address owner-tenant — Wm. M. Gray, 277 William St. S., Chatham, Ont.

Envelopes

for every purpose

Barber-Ellis of Canada, Limited

TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST



GAS CO. DIRECTOR

Roy L. Warren, Toronto, who has been elected a director of Union Gas Co. of Canada. Mr. Warren is a partner in A. E. Ames & Co. and a director of Canada Permanent Mortgage Corp., Hinde & Dauch Paper Co. of Canada and other companies.

B. A. Oil Heads For New Record

Outlook Excellent for Seventh Successive Peak in Sales This Year

This year is likely to see British American Oil Co. establishing its seventh consecutive high record for volume of sales.

With results for the first nine months of 1940 when compared with the corresponding period of 1939 showing "a percentage increase even greater than the first nine months of 1939 over 1938," J. C. Millar, treasurer, is confident that another sales record will be established.

Increased business this year is partly due to war demands, he says, as the company is supplying the Government with aviation gasoline in "considerable quantity," as well as lubricating oils for both aviation and transport use. He states that Trans-Canada Air Lines planes are lubricated exclusively with B. A. Oil products.

Accompanying the current dividend payment, A. L. Ellsworth, president, has sent a letter stressing the fact that B. A. Oil is an independent Canadian company, which, through its extensive production of oil in the United States, is adding to Canada's supply of U. S. exchange. He states that over 90% of the company's 18,000 shareholders are residents of Canada and that this group holds 83% of the company's stock.

Earnings Rise For Gatineau

Sharp Expansion in Tax Reserve Holds Down Net Income

From Our Own Correspondent

MONTREAL. — Consolidated revenue of Gatineau Power Co. for the second quarter of 1940 was $2,500,393. This compares with $2,321,487 for the like period in 1939, according to statement released by G. Gordon Gale, president of the company.

The balance available for dividends during the quarter at $549,594 shows a contraction of $50,000 from that reported a year ago. The decline, despite an increase of nearly $200,000 in gross revenue, was due to a sharp expansion in the provision for taxes. In the second quarter of 1939 the company reserved $177,748 for taxes, whereas for the same three months this year the reserve totalled $648,054, or nearly four times as much.

Hold Down Increase

Comparative statement of profit and loss for the quarter ended June 30, 1940, with comparative figures for the same period last year, follows:

Three Months Ended June 30

	1940 $	1939 $
Gross income	2,500,393	2,321,487
Less: Oper. expenses	225,979	222,488
Maintenance	42,555	45,279
Tax reserve	648,054	445,515
Net income	1,583,805	1,875,971
Less: Bond interest	588,153	664,962
Debent. interest	200,764	194,707
Depreciation	300,000	350,000
Bond discount	47,400	56,653
Add: Exchange profit	102,105	*139
Balance	549,594	609,510

*Loss.

Brown Co. Plans Move Forward

Asks Court to Set Date For Hearing on Reorganization

From Our Own Correspondent

MONTREAL. — Further progress toward reorganizing Brown Co. is indicated in the statement of Serge Semenenko, chairman of the reorganization managers, that application is being made to the courts to fix a date for the hearing on the plan.

The plan has now been accepted by over two thirds in amount of the bondholders, by over two thirds of the general creditors, and by more than a majority of the preferred and common stock.

In order to assure consummation, all bondholders, general creditors and preferred stockholders who have not yet accepted the plan, are urged by the reorganization managers to do so promptly, irrespective of the size of their holdings or claims.

October Takes Dividends Toward New Records

October is going to see Canadian companies push their aggregate dividends farther above last year. A gain of $2.8 millions is estimated by The Financial Post, bringing the record for the 10 months ending in October, 1940, to $232.6 millions compared with $222 millions in the corresponding portion of 1939. This is a gain of $10.6 millions, or 4.8%.

Late declarations brought September dividend payments to $25.8 millions, up $1.5 million from the same month in 1939 instead of a small decline as preliminary estimates forecast.

It now looks as though 1940 would see a substantial added contribution to Canadian income from this source above the excellent levels of last year. The last month of the year will tell the tale but it is reasonable to look for a good gain.

Many Extras

This month, nine companies are paying extras. The list includes: Bralorne, Cariboo Gold, Dominion Oilcloth, Guarantee Co. of North America, Hollinger, Modern Containers, Sheep Creek Gold, Teck-Hughes and Wright-Hargreaves. Moore Corp. has raised its common dividend from 40 cents to 50 cents a share. Canadian Canners has declared participating dividends of five cents a share on its first and second preferred stocks.

Hamilton Cottons is paying 25 cents a share on arrears. Investment Foundation is completing payment of arrears with a dividend of 25 cents a share while Sherwin-Williams is contributing $1.75 a share toward accumulations on its preferred. International Power has upped its preferred payment from $1.50 a share to $1.75.

Canada Northern Power has cut its common dividend from 30 cents a share to 23 cents. General Trust is paying $1.25 a share on its preferred against previous payments of $1.75 a share. Standard Paving directors have decided to postpone payment of the dividend ordinarily due this month.

	1940 $	1939 $
January	22,938,309	20,670,579
February	6,779,319	7,002,808
March	28,740,412	26,233,492
April	23,487,730	20,895,644
May	7,927,144	6,892,927
June	58,508,850	64,924,477
July	27,675,919	23,543,271
August	6,920,483	6,516,263
September	25,783,812	24,298,569
October	23,794,536	21,019,377
Total	232,556,514	221,997,407

Summary of October Payments

	1940 $	1939 $
Dividends	23,794,536	21,019,377
Bond interest	34,490,000	33,516,000
Total	58,284,536	54,535,377

Dividend Payments

Company:	Rate $	Date	Amount $
Agnew Surpass, pf.	1.75q	1	15,333
Ajax O. & Gas	.01½	31	14,818
Alta. W. Pres., pf.	1.75q	1	3,843
Amer. Cyan., A, B	†.15	1	392,755
Do., pref.	†.12½	1	26,113
Assoc. Brew., pfd.	1.75q	1	13,367
Bk. of Nova Scotia	3q	1	360,000
Belding-Cort.	1q	1	7,495
Do., pref.	1.75q	1	15,142
Bell Telephone	2q	15	1,634,412
Biltmore Hats	.15q	15	12,000
Bralorne Mines	.20q	15	249,400
Do., bonus	.10	15	124,700
Brazilian Tr., pf.	1.50q	1	5,901
Brant. Cordage, p.	.32½q	15	12,417
Brit. Amer. Assur.	1.50s	1	37,500
Brit. Amer. Oil	.25q	1	693,160
B. C. El. P. & G., p.	1.50q	1	75,000
B. C. Power, A	.50q	15	500,000
B. C. Tele., 1st pf.	1.50q	1	15,000
Brockville Trust	.62½q	1	6,250
Building Prod.	.17½q	1	84,592
Burlington Steel	.15q	1	21,000
Canada Bread, pf.	1.25q	1	15,625
Do., B pref.	.62½q	1	15,625
Can. Foundries, A	.37½q	2	14,227
Canada Life	5q	1	50,000
Can. Machinery, pfd.	3.50s	21	21,087
Can. Nor. Power	■.23	25	92,000
Do., pref.	■1.75q	15	96,250
Canada Packers	.75q	1	150,000
Can. Perm. Mtge.	2q	1	140,000
Can. Breweries, pf.	.75q	1	122,571
Can. Canners	.12½q	1	17,223
Do., 1st pref.	.25q	1	47,719
Do., participating	.05	1	9,543
Do., 2nd pref.	.15q	1	54,559
Do., participating	.05	1	18,186
Can. Cottons	1q	1	27,155
Do., pref.	1.50q	1	54,922
Can. Fairbanks, pf.	1.50q	15	17,517
Can. For. Invest., p.	2q	1	18,504
Can. Gen. Elec	2q	1	377,890
Can. Gen. Invest.	.12½q	15	75,073
Can. Industries, A, B	1.75q	31	1,212,842
Do., pref.	1.75q	15	81,375
Canadian Oil, pf.	2q	1	40,000
Can. Pac. Rly., pfd.	■2%	1	2,745,138
Can. Westinghouse	.37½q	1	204,750
Can. Wire Box, A	.37½q	1	19,261
Cariboo Gold	.04q	1	53,332
Do., extra	.02	1	26,666
Carnation, 1st pf.	†1.25q	1	36,732
Cent. Can. Loan	2q	1	50,000
Celanese of Amer.	†.25	15	269,222
Do., prior pfd.	†1.75q	1	288,431
Chartered Trust	1q	1	10,000
Comm. Alcohols, p.	.10q	15	5,000
Cons. Bakeries	.25q	1	79,610
Consumers' Gas	2.50q	1	363,880
Delnite Mines	.03	30	89,363
Dome Mines	.50q	21	973,334
Dominion Coal, p.	.37q	1	84,924
Dom. Fdry. & Stl., c.	.25q	1	88,458
Dominion Glass	1.25q	1	53,125
Do., pref.	1.75q	1	45,500
Dom. Oilcloth	.30q	31	210,000
Do., extra	■.10	31	70,000
Dom. Textile	1.25q	1	337,500
Do., pref.	1.75q	1	33,960
East. Can. Savings	1.50q	1	11,250
Eastern Steel, p.	.25q	1	4,500
Eastern Trust, pfd.	2q	1	20,000
Economic Invest.	■.62½s	1	24,953
Fanny Farmer	†.37½q	1	140,372
Foundation Co.	.25	18	21,150
General Trust, pfd.	1.25q	15	13,750
Gatineau Pwr., pf.	1.25q	1	152,450
Do., 5½% pref.	1.37q	1	47,950
Goodyear Tire	.62q	1	139,501
Do., pref.	.62½q	1	74,830
Gould Pumps, pfd.	†1	1	7,475
Gordon & Belyea, p.	1.50q	1	1,983
Do., 2nd pref.	1.50q	1	126
Gt. Lakes Pap., p. A, B	■.25	1	50,000
Gt. L. Power, pfd.	1.75q	15	13,125
Gt. West. Sadd., p.	.75	30	5,244
Gt. West Life	3.75q	1	37,500
Greening Wire	.15q	1	28,500
Guar. of N. Amer.	1.50q	15	9,138
Do., extra	2.50	15	15,230
Guaranty Trust	1.25	15	3,125
Guysborough Mines	■.02½	21	14,748
Ham. Cottons, pfd.	.50q	1	9,242
Do., arrears	.25	1	4,621
Hinde & Dauch	.12½q	1	37,491
Honey Dew	.30	1	10,322
Hollinger Cons.	.05	7	246,000
Do., extra	.05	7	246,000
Huron & E. Mtge.	1%	1	50,000
Imperial Life	3.75q	1	37,500
Inter. Milling, pf.	†1.25q	15	71,681
Inter. Power, pfd.	1.75q	1	140,000
Invest. Found., pfd.	.75q	15	22,177
Do., arrears	'.25	15	7,392
Jam. Pub. Ser.	.17q	1	22,950
Do., pref	1.75q	1	13,125
Kerr Addison Gold	.05	15	236,513
Kootenay Belle	.02q	22	13,304
Lamaque Gold	.10q	1	300,000
Landed Banking	1q	1	10,000
Lang, J. A.	.17½q	1	17,500
Maritime Tele.	.17½q	15	66,504
Do., pref.	.17½q	15	26,256
Maple Leaf Gard., pf.	.70a	15	56,000
McColl-Fron., pf.	1.50q	15	116,556
Mitchell, J. S., pf.	1.75q	1	4,778
Mod. Containers	.20q	1	5,000
Do., extra	.10	1	2,500
Do., pref.	1.37½q	1	4,125
Moneta Porc.	.03q	15	76,316
Mtl. C. & D. Sav.	3q	1	60,000
Mtl. L. H. & Pr.	.37q	31	1,660,938
Montreal Telegraph	'.55q	15	27,500
Moore Corp.	†.50q	1	200,728
Do., A, B pref.	†1.75q	1	61,685
Montreal Trans.	1.50q	15	105,000
Nan-Dunc. Util., c.	.20s	1	15,000
Nat. Breweries	.50q	1	360,688
Do. pref.	.44q	1	48,840
Nat. Grocers, pref.	.37½q	1	36,250
N. B. Telephone	.12½q	15	79,491
Nat. Steel Car	.50q	15	87,750
National Trust	2q	1	60,000
Niag. Wire Weav.	.50q	1	57,500
North Star Oil, pf.	.08¾q	1	17,500
Nor. Ont. Power	■.30q	25	73,610
Do., pref.	■1.50q	25	37,474
N. S. Light & Pr., c.	1.50q	1	51,784
N. S. Trust	3.50s	15	17,500
Ogilvie Flour, c.	.25q	1	150,000
Ont. Loan & Deb.	1.25q	1	50,000
Ottawa Light	.25q	1	35,000
Do., pref.	[illegible]	[illegible]	[illegible]
Ottawa Electric	.30q	1	10,559
Page Hersey	1.25q	1	217,845
Petrol Oil	■.02s	1	4,400
Pioneer Gold	.10q	1	175,175
Porto Rico Pwr., pf.	1.75q	1	17,500
Power Corp., pfd.	1.50q	15	75,000
Do., 2nd pref.	.75q	15	75,000
Premier Gold	.03q	15	150,000
Preston E. Dome	.05q	15	150,000
Price Bros., pfd.	1.37½q	1	86,408
Prov. Paper, pfd.	1.75q	1	61,250
Remington Rand	†.20q	1	316,978
Do., pref.	†1.12½q	1	208,047
R. S. Mills, A	.50q	1	15,000
St. J. Dryd'k & S., p.	1.37½q	1	4,840
St. Law. Corp., p. A	.20q	15	59,614
Sheep Creek M.	.04q	15	75,000
Do., extra	.01	15	18,750
Sher. Williams, pfd.	1.75q	1	60,550
Do., arrears	1.75	1	60,550
Sigma Mines	.15	15	150,000
Silverwoods, pref.	.20s	1	29,000
Silbak Premier	.04q	25	100,000
Smith, H., Pap., pfd.	1.50q	15	95,424
South. Can. Pr., pfd.	1.50q	15	106,333
Spud Valley Gold	.02	10	42,000
Stand. Fuel, pfd.	1q	1	11,860
Stand. Steel, pfd.	.75q	1	7,342
Stedman Bros.	.15q	1	13,500
Do., pref.	.75q	1	4,500
Sun Life Assur.	3.75q	1	75,000
Tamblyn	.20q	1	22,400
Do., pref.	.62½q	1	3,750
Teck Hughes	■.10q	1	480,714
Do., bonus	■.05	1	240,357
Tip Top Tailors	.15q	1	18,000
Do., pref.	1.75q	1	17,717
Tor. Gen. Trusts	1q	1	30,000
Toronto Mortgage	1.25q	1	24,882
Traders Finance, p.	1.50q	1	36,801
Do., 7% pref.	1.75q	1	11,203
Tuckett Tob., pref.	1.75q	15	35,000
United Fuel, A pf.	.75q	1	67,500
United Bond & Sh.	.15q	15	3,953
Viau, pref.	1.25q	1	11,825
Wabasso Cotton	.50q	1	34,951
Western Grocers	.75q	15	12,706
Do., pref.	1.75q	15	20,899
Weston, Geo., c.	.20q	1	80,884
Western Assur., c.	1.20s	1	18,000
West Koot. Pr., pfd.	1.75q	1	8,730
Willsen Stat., pf.	1.25q	15	3,000
Wilsil	.25q	1	33,925
Wr. Hargreaves	†.10q	1	550,000
Do., bonus	†.05	1	275,000
Total			23,794,536

q—Quarterly. s—Semi-annually. a—Annually. *Net payment after deducting corp. inc. tax. 'Final payment on arrears. ■Subject to approval by Foreign Control Board. †Payable in U. S. funds.

Abitibi Case Vital To All, Claims Drew

Holds That Original Distributors and Pref. Committee in Questionable Position

H. J. Symington, chairman of the bondholders' protective committee for Abitibi Power & Paper Co., has assured Col. George A. Drew, leader of the opposition in the Ontario Legislature, that his committee "has no intention of changing its position," Col. Drew writes to The Financial Post.

Col. Drew, in a further letter, maintains that all have a vital interest in this case. Preferred shareholders, he states, are being wiped out and denied "any real rights."

Colonel Drew's Letter

Col. Drew's letter to The Financial Post follows in part:

After Mr. Hepburn's recent statement that the provincial government did not intend to intervene in the Abitibi foreclosure proceedings, I wrote to Mr. Symington, chairman of the Bondholders Protective Committee, urging that the bondholders themselves should make some provision for the junior securities. Mr. Symington's reply is that the Bondholders Protective Committee has no intention of changing its position.

I believe that the issues raised by the Abitibi foreclosure proceedings are of concern to every man, woman and child in the province. They involve first of all the legal rights of the various classes of security holders. They involve the vitally important question of the extent to which the government of the province will go in exercising control over forest resources. They involve important questions of business morality at a time when public confidence in this type of investment should be maintained by every possible means.

Regarded as Legal Tangle

There has been a natural tendency to look upon this as nothing but an extremely involved legal and financial problem. . . .

A solution can be worked out which preserves for the bondholders every right of priority they now have under the Bond Mortgage. That can be done without excluding the rights of the preferred shareholders. But there are aspects of this situation which are unknown to many bondholders, and possibly even to some members of the Bondholders Protective Committee. Those are far more important than the strict legal rights of the preferred shareholders.

Everyone who holds insurance policies of any kind, or is a depositor in our banks, has a personal and direct interest in what happens to the industrial corporations of this country.

"Completely Destroyed"

Under the plan now being followed by the Bondholders Protective Committee, the rights of preferred shareholders will be completely destroyed. There is some pretense of rights being offered to the preferred shareholders under what was originally known as the Ripley plan, but it is to be hoped that it will not be seriously suggested that this is anything but a pretense. The effect of the plan now proposed by the Bondholders Protective Committee is to deny any real rights to the preferred shareholders.

Special circumstances have a very important bearing on the plan proposed. At the time these proceedings were instituted under what was known as the Ripley Plan, the chairman of the Bondholders Protective Committee was Mr. Ripley of the National City Company of New York. It had been the main issuing house in the sale of the preferred stock.

Mr. Ripley was succeeded as Chairman of the Bondholders Protective Committee by H. J. Symington of the Royal Securities Co. of Montreal. Royal Securities Co. also sold large blocks of preferred stock on the same assurances at that time.

Those preferred shares were looked upon as a safe investment, on the statements issued by the security houses with which Mr. Symington and Mr. Ripley were connected. They are both still members of the Committee. Canadian insurance companies were the largest investors in this stock.

Better Position Now

It is said that the equity of the preferred shareholders has been completely wiped out and that the assets of the company are not equal to the accumulated obligations under the bonds.

That contention is difficult to understand in view of the fact that this company is in a far better position than it was when the Bondholders Committee recognized that some equity existed by proposing a plan under which they offered shares in exchange for the preferred shares.

On more than one occasion official statements have been issued by representatives of the provincial government indicating that the government did not believe the interests of the preferred shareholders should be wiped out in any reorganization proceedings. In addition, the ordinary preferred shareholders had every reason to believe until quite recently that their rights were being adequately protected by a Preferred Stockholders Protective Committee which represented very large blocks of investment in this preferred stock.

These Sold Out

The Preferred Stockholders Protective Committee was created on the same date in 1932 as the Bondholders Protective Committee. Four men were appointed to the Preferred Stockholders Protective Committee who represented very large blocks of preferred stock.

The representative of the largest block was appointed by a company which held 29,000 shares of 6% preferred stock with a par value of $2 millions.

On March 14, 1938, this same company still held 25,000 shares of preferred stock.

But between that time and the time foreclosure proceedings were instituted, they had disposed of all but 950 shares of the preferred stock without notifying the other preferred shareholders and today they hold none of the 6% preferred.

Other shareholders represented on the Preferred Stockholders Protective Committee also disposed of their stock without notice to the shareholders they were supposed to represent. After these large blocks had been disposed of, the representatives of these companies then notified the preferred shareholders of their retirement and a new committee was appointed last year.

The company shown to be the holder of 29,000 shares when the Abitibi Company went into receivership is now shown to be one of those pressing for foreclosure under the bond mortgage. That is hardly the sort of thing which will inspire public confidence.

Looked to Ontario

There was another reason why preferred shareholders had reason to believe that their interests would be protected. By an order-in-council dated June 24, 1937, the Government of Ontario agreed that if a reorganization or sale of the assets of the Abitibi Company should take place "on a basis satisfactory to the Government" the Government would transfer all rights over which it had control to the new company. As the Government had indicated that it did not believe that the preferred shareholders should be deprived of their rights, preferred shareholders certainly had every reason to rely on this provision that the reorganization or sale must be "on a basis satisfactory to the Government."

On March 9, 1939, a new order-in-council was passed doing away with that restriction and providing that any reorganization or sale approved or directed by the Supreme Court of Ontario would be deemed satisfactory to the Government.

This put an entirely different light on the situation, as the Court had already made it clear that it could only exercise its ordinary legal functions in directing the sale proceedings and had no authority to determine whether the plans for reorganization were satisfactory or not.

September of last year, however, Mr. Heenan stated publicly that the Government did not believe it was desirable that these proceedings should be pressed. Again preferred shareholders had reason to believe the Government would intervene. Mr. Heenan went farther and stated that the order-in-council of March 9, 1939, had been repealed, but he was mistaken in this statement.

Military Vehicle Orders Swell

The British Government has placed in Canada a new order for 23,000 four wheel drive army vehicles of various types at a cost of between $40 and $50 millions, The Financial Post learns.

Included is a huge order for special heavy-duty army tires.

An enquiry along these lines was made some weeks ago by the British Government. Within the past few days the order has definitely been placed, and is divided among leading Canadian companies.

To the
General Manager
of a
Food Products House

One of the largest firms in the food products industry (not a grocery jobber or specialty sales organization) wishes to discuss the following proposal with the owners of a well-known food product.

• • • •

We cover intensively the entire grocery trade in Western Canada with our own force of experienced salaried salesmen. If we can get the right non-competing line in foodstuffs, or a proprietary article, to sell in conjunction with our own product, we believe that we can reduce selling costs in Western Canada for ourselves and for those with whom we may become associated, without impairing the interests of either.

We are not prepared to consider unknown lines. Initial inquiries may be through solicitors, if so desired.

Box 75, The Financial Post, Toronto

Quebec Dress Industry Gets New Labor Pact

From Our Own Correspondent

MONTREAL.—The Quebec Government has accepted the recommendation of Dr. Carl Goldenberg for a single collective labor agreement covering entire women's dress industry of the province. The agreement became effective Sept. 30.

Last May Dr. Goldenberg was appointed chairman of a board of arbitration to advise the Government in respect to this industry.

Purpose of the agreement is to prevent excessive competition at the expense of wage earners. From 8,000 to 10,000 persons largely in and about Montreal are affected. Some 250 different firms are involved.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp	6%	1942	Dec. 31	105
Canada Cement	3½%	1941-4	Nov. 1	101
Drilling Cont.	5½%	1943	Jan. 15	100

EXECUTIVE AVAILABLE

Young man, Canadian, 34, many years first-class English experience manufacturing and merchandising, recently returned, seeks post. Until lately assistant to Managing Director of U. K. firm, leader in its line. Could act as deputy, or take complete charge other than technical. Canadian references furnished. Please write in first instance, Box 76, The Financial Post, Toronto, Ontario.

CONSTRUCTION MACHINERY — Construction equipment sold in even the most remote locations can be handled through any one of I. A. C.'s twenty-five branches across Canada. ... ...

PRINTING MACHINERY — Because modern printing machinery and other industrial equipment produces increased earnings which often more than cover regular payments, I. A. C. plans offer increased sales opportunities.

HEATING APPARATUS — Stokers and heating equipment can be sold on monthly instalments which are often no more than the savings which modern equipment makes possible.

LAUNDRY MACHINERY—Many sales of laundry machinery and heavy industrial equipment can be conveniently budgeted through I. A. C. Amortized Payment Plans to avoid large capital expenditures.

Improve Your Sales through I.A.C. Amortization Plans

MANY firms hesitate to purchase new equipment because they believe it involves a heavy cash capital expenditure.

Through I.A.C. Amortized Payment Plans you can overcome this obstacle—and gain a sales advantage. For often I.A.C. terms permit sales on a basis whereby the regular payments are no more than the increased earnings, or savings, which the installation of your modern, efficient equipment makes possible.

I.A.C. financing methods will fit into, and broaden your sales policy without increasing your costs. As the largest all-Canadian company specializing in industrial financing, I.A.C. provides efficient, low-cost credit, accounting and collection services which safeguard your selling and establish and maintain goodwill.

Through I.A.C. you eliminate the expense of a credit and collection department and your sales force is relieved of often troublesome collection detail. With none of your own capital tied up in deferred payment paper, your improved liquid position permits the fullest possible development of your business.

Industrial Acceptance Corporation
Limited
Montreal

Halifax, Saint John, Fredericton, Quebec, Sherbrooke, Ottawa, Kingston, Peterborough, Toronto, Hamilton, Niagara Falls, London, Chatham, Windsor, Sudbury, Timmins, Kirkland Lake, Rouyn, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver

Industrial and Commercial Financing — Capital Resources Over $5,000,000

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post has the largest paid circulation of all Canadian financial papers.

The Financial Post Business Year Book and Market Survey, Yearly, $2.

The Financial Post Survey of Corporate Securities, Yearly, $2.

The Financial Post Survey of Mines, Yearly, $2.

Directory of Canadian Directors and Officials, $8.

The Financial Post Survey of Canadian Oils, Yearly, $1.

The Financial Post Corporation Service, $20 monthly. Special prices for individually selected investor's service.

Editor—Floyd S. Chalmers
Business Manager—D. M. Gowdy
Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2.
Founder and Chairman—John Bayne Maclean
President—Horace T. Hunter
Vice-President and Managing Director—H. Victor Tyrrell

ADVERTISING RATES
Single insertion—$4.20 per inch.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $3 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1, Telegraphic Address, Atabek, Lesquare, London.

TORONTO, OCTOBER 5, 1940

Avoiding Labor Bottleneck

Canada's vast and increasing programme of "procurement"—the manufacture of shells, explosives, tanks, planes and so forth—is now estimated, unofficially, to involve an annual production of almost $1,500 millions. This is equivalent to almost half the normal manufacturing output of the entire nation in recent years. It means that the Department of Munitions and Supply will be by far the largest producer of goods in the country..

To accomplish this programme, the department has been given the most far-reaching power over all manner of materials and commodities. The power controller, the controllers of lumber, oil, steel, machine tools, etc., can, if deemed necessary, refashion the entire productive capacity of the country so as to remove bottlenecks and ensure that all essential material needed for the munitions programme is available in adequate quantity and at a reasonable price.

One thing is not under control.

As now constituted, the department can do little or nothing to ensure an adequate supply of skilled or essential labor to carry out this programme. Key men may be "drafted" into the army, essential workers needed for producing airplanes, shells and the like may enlist or move into non-essential industry—there is nothing that departmental officials responsible for this programme can do about it.

Labor supply may very shortly become a bottleneck in Canada's procurement programme. The prodigious feats of production which are planned for war industry for the next three, six or twelve months cannot be accomplished adequately and swiftly unless more is done to increase the supply of skilled workers, observe industrial "priority," etc.

To achieve this, Canada must plan to "budget" her labor forces just as she is budgeting her supplies of steel, of oil, of machine tools and vital materials and supplies. We must know as precisely as possible how many skilled and semi-skilled workers are now employed and how many will be needed in the future.

Whether this authority to plan and direct labor supply is given directly to the Department of Munitions and Supply is not of prime importance. There are other wartime administrators who are doing splendid work to aid the procurement programme, outside the Munitions and Supply officialdom.

What is important is that the handling and direction of Canada's wartime labor problem be placed in the hands of someone of wide knowledge and experience in handling of industrial workers.

It must be someone with sufficient drive and acumen to enlist the enthusiastic support of both labor and industry in a programme designed and executed to ensure results.

A Chance for Co-operation

Ottawa has set up a board to deal with special income tax problems arising out of the war. Companies installing plant and machinery for war production, where there is no assurance that the investment will continue to be productive in peacetime, will be allowed special "write-offs." This is only fair. Otherwise companies would be paying heavy corporation income taxes — including excess profits taxes — on earnings that were really fictitious.

But Ottawa is not alone in imposing income tax on corporations. The provinces also levy company taxes. They are very stiff. In the two larger provinces the rate is 5% (in addition to a tax on capital) and in British Columbia and Manitoba companies pay at much higher rates.

It is important that the provinces, in imposing income tax on corporations, be guided by the decisions of the special war income tax board at Ottawa. Otherwise gross injustice will be done to firms engaged in producing the vitally necessary material sinews of war.

The lead might well be taken by Ontario, which in the past has co-operated with the Dominion Government to prevent overlapping and confusion in personal income tax administration. For instance, Ontario lets the Dominion collect its tax. Ontario permits the taxpayer to deduct the full amount of the tax paid to the Dominion before calculating his provincial levy. Again, when Ottawa raised income taxes last fall by 20 per cent, Ontario left its rates unchanged, although Ottawa's new levies cost the province upward of $500,000 in lost provincial tax revenues.

If Ontario were to announce that it will allow industrial corporations the same rate of accelerated depreciation write-offs that the war tax board allows, it would set another worthy example.

Queer Way to Help Canada

On the desk of scores of well-to-do Canadians there dropped this week an envelope. It was labelled O.H.M.S. Where there might have been a postage stamp was the word FREE.

The letter inside began:

> "You can make a profitable investment of your savings and help your country by buying a Canadian Government Annuity."

Later on the letter stated:

> "The Annuities system is provided for you at cost, the Government deriving no profit from its operation and absorbing all administration charges."

As a matter of fact there is a misstatement there. The Annuities System is not provided at cost but at less than cost. Every actuary knows that. No administration expense is included. Interest is calculated at above reasonable rates for Government security. The Government's mortality tables make inadequate allowance for the fact that people now live longer than they used to.

These things being true, one may ask how a wealthy man "helps his country" by buying up to the limit governmental annuities for himself and all members of his family.

Says the Government circular, "The income you earn through your Government annuity is greater than you can obtain in any other investment offering the same security."

Of course it is. The Government loads the investment in favor of the buyer.

If the sale of annuities were confined to the less favorably situated people of Canada; to young men and women just starting out in life; to farmers; to workmen, then it would not be so serious if the taxpayer were mulcted something to keep the scheme afloat.

That, however, is not the case. It is well known that the chief buyers of Government annuities are people who are well-to-do—people who are well able to pay the full price for the protection. They are well informed; they know a bargain when they see it.

There is no reason why they should not buy annuities when the Government, by means of expensive mailing pieces, solicits them to buy. But why try to kid people into believing that a wealthy man is helping his country by buying an annuity for which the taxpayer must share the cost.

Jobless Insurance Takes Shape

Dr. Joseph Sirois has been named chairman of the new Unemployment Insurance Commission for 10 years. This is in accord with the time-honored tradition to include a French-speaking Canadian on important national boards or commissions.

Dr. Sirois' appointment is more than that. It is a recognition that in Dr. Sirois Canada has found a French Canadian well suited to represent his fellow citizens as the senior executive of this highly important undertaking. Labor and industry are also well served by the naming of R. J. Tallon, secretary-treasurer of the Trades and Labor Council, and Allan M. Mitchell, chairman, Robert Mitchell Co., Montreal.

Many Canadians view with concern the introduction of this measure at this time. Under Dr. Sirois there is assurance that the act will be wisely and resolutely handled. He can be expected to surround himself with men competent to administer this statute.

The next important step is the naming of the advisory commission. It is this body which is charged specifically with keeping the Unemployment Insurance Scheme "on the rails"—financially.

Evidence presented before the parliamentary committees which studied the Act last summer suggests that this committee should be put immediately to work to test and investigate the actuarial basis of the Act. No contributions should be accepted until a clean bill of health from such a committee has been received.

Not What We're Fighting For

In wartime, democratic people are happy to surrender, temporarily, some of their privileges and liberties in order to mobilize every last ounce of the nation's strength against the common foe.

But if we have temporarily set up an authoritarian state it is only to combat the attempt of a dictatorship state to impose such a system upon us permanently.

If this temporary and necessary loss of personal liberty were to be permanent then there would not be much use carrying on the battle. One dictatorship is about as good as another.

What we must soberly realize is that there are elements in our population who desire to make the new dictatorship a permanent part of our society.

If these groups have their way there will never again be such a thing as a free, democratic state here in Canada.

An advertisement was published by the three western wheat pools the other day in their official organ. After referring to the act of Parliament that abolished in Britain, for the duration of the war, many of the normal safeguards of freedom, the advertisement went on:

> "In a few hours the capitalistic organization of society was undermined.
>
> "Profit as a motive in human association was suspended.
>
> "Labor relinquished cherished rights and privileges as its contribution.
>
> "This momentous change heralds the passing of an era.
>
> "Humanity has once again struck its tents and is on the march."

Do the Canadian people think they have surrendered their freedom for good? Do they hail "the passing of an era" and the dawn of an era of totalitarianism in Canada?

We think not.

What forces are at work behind the western wheat pools that they publish such doctrines of dictatorship; the very thing we are battling to destroy?

Co-ordinated Transport Policy

Speaking in Toronto recently, R. V. Fletcher, general counsel, Association of American Railroads, told of progress made in the United States toward co-ordination of transportation services.

He expressed regret that a bill providing for a limited control of water transport by the Interstate Commerce Commission had narrowly missed enactment at the present session of Congress. Side-tracking of this act, according to Mr. Fletcher, was effected by "certain waterway opponents of regulations and certain railway labor unions." The bill, in Mr. Fletcher's view, was "an essential step in the march toward a co-ordinated plan for handling the traffic of the country."

Canadians have been watching with much interest this growing realization that transportation is not a railroad problem alone but a national problem which calls for fair treatment for all forms of transportation so as "to preserve the inherent advantages of each, with special privileges and favors to none."

Exactly the same view is taken by the Rowell-Sirois Commission on Dominion-Provincial relations.

Partly because of jurisdiction problems, Canada has lagged behind the United States in failure to co-ordinate highway transportation. Both countries have so far ignored the need for sound economic policies in respect of waterway operations.

Events on either side of the line suggest that common-sense, comprehensive policies covering all phases of transportation are gradually gaining acceptance. As the need and worth of co-ordinated effort becomes more apparent, we may yet live to see fair tolls charged by users of our waterways and fair conditions established for those who use highways for commercial purposes.

Editorials in Brief

A Canadian manufacturer, who has himself put in about 16 hours a day on war supply work, who was in fact active long before war broke out, writes in approval of the suggestion that service badges be provided for skilled workers whose job in the workshop is so important that they cannot be permitted to enlist.

He adds:

> "Workmen in our factory are plugging along day after day, working from seven in the morning, and until eight o'clock at night three days a week; and working 12 to 13 hours on night shifts. While they are conscious of the fact that they are doing a good job, it is a mighty nice thing to have government heads recognize it."

Canada is heading into a serious shortage in skilled workmen. Everything must be done to keep workers on the job and to give recognition to their devotion to the war work on the home front that is so vitally important.

The Canadian Editorial of the Week

CBC Short Wave

Winnipeg Free Press

At a minimum of expense a short-wave station is being constructed by the Canadian Broadcasting Corporation at the city of Quebec, and its transmitting range will include the United States, Mexico, the West Indies and South America. This is a beginning at least, which the country will welcome. It is high time that Canada went on the air and let her voice be heard in other countries. Just now we are particularly interested in our relations with the United States and, for trade reasons, with the West Indies and South America. It is announced that speeches by our public men, war programmes and current news will be broadcast.

The financial necessities of the Government have influenced the CBC in building a short-wave station with limited power. The construction will be such that the power can be greatly increased, enabling Canada to speak to the whole world. It is to be hoped that this will not be long delayed. Canada is playing a considerable part in settling a great world conflict, and her voice should be heard on the air throughout the world, as is the voice of every other important country.

The immediate purposes of the station should be very useful, but let us have the full service as soon as possible.

Sayings of the Week . . .

"Can we become as strong by consent as our enemies have become by compulsion?" — *Sir Willmott Lewis.*

• • •

"It may be that in a few months time people wearing shabby hats will be regarded as very patriotic."—*Sir Kingsley Wood.*

• • •

"Isolationism in the United States is dead. Dead as mutton. Dead, I think for ever."—*George V. Ferguson, managing editor, Winnipeg Free Press.*

• • •

"This new kind of war is well suited to the genius and resources of the British nation and Empire."—*Winston Churchill.*

• • •

"What Christ preached, Hitler practises."—*A Nazi radio broadcaster.*

• • •

"The doctrine of indispensability is just plain, ordinary bunk."—*Wendell Willkie.*

• • •

"It does not take a hero to drop a bomb on a tenement teeming with women and children."—*Mayor Fiorello H. LaGuardia, of New York.*

• • •

"Statistics are fallible things, but I derive a certain comfort from a friend's calculation that there is one pigeon to every 90 inhabitants of London. After all, as he put it, if 100,000 pigeons so rarely score a direct hit, why should I worry about the Germans?"—*A writer in the New Statesman.*

• • •

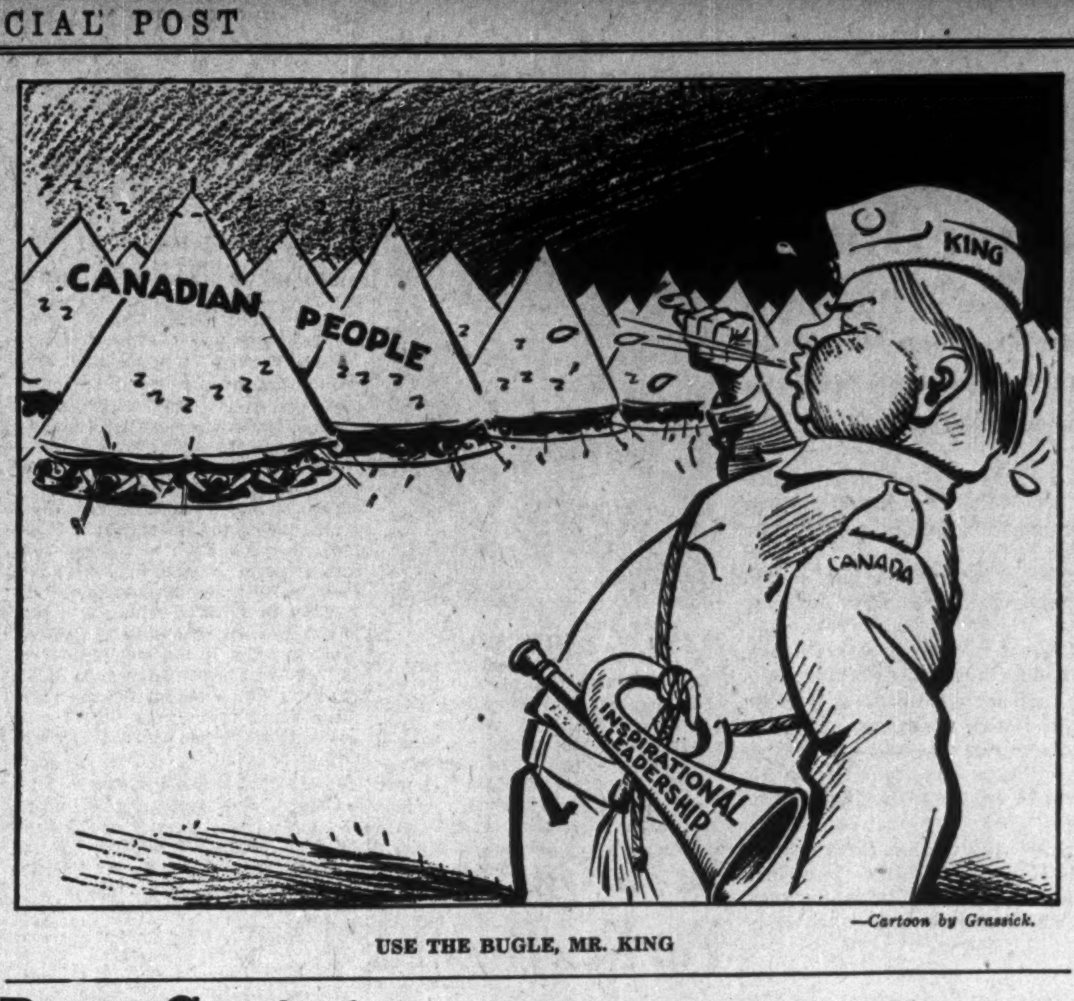
"Seagulls are England's best intelligence service. Enemy planes may be up so high that they can hardly be heard. But the birds know. When the Germans come over the birds go out to sea. When the Germans go home the birds come back."—*Robert Casey.*

• • •

"It is astonishing to how many persons efficiency makes a stronger appeal than liberty."—*Nicholas Murray Butler.*

• • •

"I do not think the Declaration of Independence will suffer from this new declaration of interdependence. Nor will the British North America Act, the Statue of Westminster and what our Prime Minister has called our tried and traditional liberties be impaired by what took place at Ogdensburg."—*Leonard W. Brockington, K.C.*



USE THE BUGLE, MR. KING

—*Cartoon by Grassick.*

Post-Scripts . . . . . .

Trade and Commerce

No matter what fate holds in store for Canada, foreign trade problems will loom large. Whether world commerce shrinks or expands in the world of tomorrow is, therefore, a matter of the most obvious, vital concern to this nation.

Thus it is of much more than passing importance when Canada appoints a new deputy minister for the Department of Trade and Commerce. This department is charged specifically with responsibility for import and export trade. One of its divisions — the Commercial Intelligence Service — maintains and operates a world - wide corps of trade commissioners — men equal or superior in ability and knowledge to their opposite numbers in any country in the world.

L. D. WILGRESS

L. D. Wilgress is Canada's new Deputy Minister of Trade and Commerce. He was formerly director of the Commercial Intelligence Service. He has been in the Government service now for a matter of 20 years.

For 10 years he saw service in many parts of Europe. Since 1930 he has been stationed at Ottawa, fashioning trade treaties and maintaining and enlarging the reputation of his beloved intelligence service.

• • •

Mr. Wilgress came to Ottawa from McGill University at the close of the last Great War. The Government was looking for young men of brains and ability to strengthen its Trade and Commerce personnel.

One of his first jobs was a tough assignment in Russia shortly before the second Bolshevist coup of the early twenties. After that he made a name for himself at Hambourg, then one of the most important trade posts in the intelligence service.

In 1930 Hon. H. H. Stevens showed good judgment in bringing Mr. Wilgress back to Canada as head of the whole trade commissionership service. In the past ten years he has become Canada's treaty-maker extraordinary. Every major pact which Canada has negotiated in that 10-year period—and the trade affected by these pacts runs into billions of dollars—bears the imprint of Mr. Wilgress's brains and judgment. His intimate knowledge of the myriad details of Canada's foreign trade is little short of prodigious.

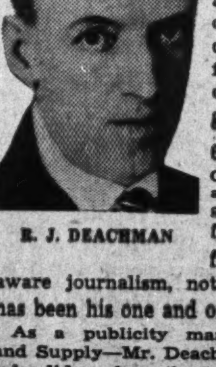
Now Mr. Wilgress will have an opportunity to exercise the same intelligence and good judgment in every branch of the Trade and Commerce Department.

If you want to find Mr. Wilgress around the noon hour you will almost invariably find him—not over at the elite Rideau Club—but munching a pickup lunch in the cosmopolitan cafeteria of the Château Laurier.

• • •

Job for "Bob"

R. J. Deachman, former Liberal M.P. for North Huron, has joined the Department of Munitions and Supply on a "special publicity" assignment. Mr. Deachman is 62 years of age, a native of Huron county but, in fact, a westerner. He graduated from Guelph with a B.S.A. degree, but so far as his friends are aware journalism, not agriculture, has been his one and only love.



R. J. DEACHMAN

As a publicity man—Munitions and Supply—Mr. Deachman will do splendid work on the "economics" of our war purchasing. He is not a "publicity" man in the ordinary sense of the term; never was and never will be.

• • •

The Deachman record is colorful. He matured in Calgary in the palmy days when the "Eye Opener" was in its full glory. He can still quote pages from his redoubtable weekly. The pity of it is that Mr. Bennett should have banished one of the most original of all Canada's publications from the Library of Parliament. He has been a life-long pal of L. W. Brockington, K.C., now also at Ottawa. Both are masters of the wise crack and excel in the naked phrase. He is a true Liberal, so chock-full of individualism that he finds it difficult to co-operate with others. He is a Free Trader, unrepentant and undismayed by the inflowing tide of autarchy and regimentation. He thrives on controversy and writes often with a pen dipped in bitter, burning acid. Yet to meet him he is charming. His mind has the sheer directness of a rapier. He is a gay companion, witty and with a delicious, if mordant, sense of humor.

Mr. Deachman came to Ottawa in the late twenties and appeared on behalf of consumers before W. H. Moore's Advisory Tariff Board. Over a period of time he undoubtedly buttressed the low tariff case. He infuriated manufacturers both by pitiless lampooning and by outright argument. One recalls the occasion when a distinguished group of members of a Board of Trade appeared in support of an application for higher duties. Mr. Deachman got off Bernard Shaw's crack that if the world was mad then surely Boards of Trade were the padded cells. Later on he got out a monthly statistical service and worked hard on low tariff publicity for the Liberal party.

• • •

At last he got into Parliament. He was not a good politician. In a sense he was a gorgeous parrot in a Parliament of rooks—a phrase once used to describe Disraeli.

He drew chiefly for inspiration upon a long-standing antagonism to Mr. Bennett. From the early days, Calgary onward, Mr. Bennett stimulated him to ever greater efforts of criticism, satire and outright denunciation. Perhaps no one has been able to mimic the former Conservative leader as well as Mr. Deachman. Indeed the Deachman rendition of the speech "R.B." would have made at Runnymede is a classic.

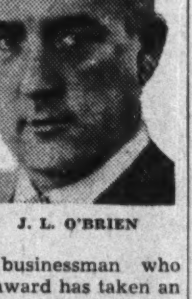
When Mr. Bennett retired, the sun dipped and twilight came. "Prof." Deachman has never quite found another perfect focus for his talent.

He was an able and valuable member of Parliament, but over-independent to be a good party man. He served but one term—1930-35.

• • •

Young Tory

Mr. Joseph Leonard O'Brien, Conservative member for Northumberland County (N.B.), is one of the more interesting personalities brought into the Federal Parliament by the last general election. He is a type of member who could be multiplied at Ottawa with great advantage to the country — a competent and successful businessman who from his youth onward has taken an active interest in public affairs.



J. L. O'BRIEN

O'Brien's father, Hon. John O'Brien, emigrated from Cork, in Ireland, to New Brunswick. At South Nelson, on the Miramichi, he built up a prosperous lumber business. He was a prominent pillar of the Conservative party, sitting for several terms in the provincial Legislature as one of the members for Northumberland Co. Leonard O'Brien was born in 1896, the elder of two sons. He secured his education at local schools and at St. Thomas College, a Catholic institution in Chatham, N.B. and then joined his father in the lumber business.

From his father O'Brien inherited a political connection and a name popular with the local voters. At the provincial election of 1925 he was induced to stand for the Legislature and he headed the poll for Northumberland County, which elected four Conservatives. In the new Legislature a notable, unique and quite unexpected tribute was accorded him. Although he was under 30 years of age, and had just been elected for the first time, he was appointed Speaker. He filled this office and there was general regret when, in the debacle that befell the Tilley Ministry in 1930, he lost his seat.

• • •

O'Brien went quickly back to his lumber business and developed a profitable export trade in pulpwood with European countries. This took him travelling across the Atlantic. When the general election of 1940 suddenly emerged, he was deeply immersed in shipping pit props to Britain to make good deficiencies created by the loss of supplies from the Baltic countries. His interest in politics had waned, but when he was offered the Conservative nomination, he threw himself vigorously into the contest. He won a traditionally Liberal seat and gave his party one of its few gains in the election. He was helped to victory by a local feud in the Liberal party but he had to face the opposition of a large body of French-Canadian voters who were nervous about conscription. There is general agreement that under the circumstances of the election no other Conservative could have carried Northumberland County.

At Ottawa, during his first session, O'Brien was content to adopt the role of a student and observer. He intervened only rarely in debates but behind the scenes he has already made a place for himself in the councils of his party.

• • •

O'Brien continues to keep a vigilant eye upon his varied business interests in the Mirimachi Valley. He is almost an ideal type of capitalist as he has been content to live his life in a rather isolated community and to devote his capital and abilities to the provision of employment for local workers. His lumbering operations in the woods are on a very extensive scale. He has revived into full operation a sawmill at Chatham, N.B., which had been idle for years and has organized the local production of maple sugar and syrup on a substantial scale through Mirimachi Maple Products Ltd.

It is largely through O'Brien's efforts that the new business of supplying the British coal mining industry with pit props has been brought to New Brunswick. Already this year he has loaded more than a dozen ships with forestry products for Britain. He is rated an excellent employer and has an alert and progressive mind, which is always ready to experiment with new ideas and methods.

Other People's Views . . . :

Keeping Them Out

Vancouver Province

Four magazines published in the United States have been barred from Canada, it is announced from Ottawa. The names of them are: "Pic," "Sensation," "Co-Eds" and "Spicy Mystery Stories."

The reason for the debarment order has not so far been disclosed. It may be, of course, that these publications have offended in some way or other against the regulations for the defense of Canada. But it is significant that these are precisely the sort of magazines, disagreeably exploiting sex and crime and sensation (the very names of the things tell you sufficiently what they are) against which so many protests from decent people have recently come into all the newspaper offices of Canada, including The Vancouver Daily Province.

Whatever the specific reason in these present instances, the thing that has been done by the Ottawa authorities is the easiest and most effective way of dealing with the general nuisance and moral defilement of this sort of publication. Only there are many more that should be added to the long list of those already banned.

Canada's Industrial Front

Canada in the War

The Indianapolis Star

We on this side of the border know our Canadian cousins are doing their part loyally in the war against Hitler and Mussolini. Few realize how much Canada is doing. That story has been graphically set out in a special edition of The Financial Post of Toronto. It is a showing of which Canada justly may be proud and helps the outside world to understand the strength behind Britain in its defense of democracy.

The Canadians are bending every effort to complete commitments for $600,000,000 worth of munitions and supplies urgently needed at the front. Those include hundreds of items. It is specially interesting to know that 12 types of airplanes, ranging from bombers to trainers, are being turned out by Canadian factories at the present rate of 35 a week, and the schedule will be 380 a month by spring. Canada is turning out for the navy two fast patrol boats each week and has 14,000 men at work in shipyards.

The Canadians are producing anti-aircraft guns, tanks, munitions and a long list of supplies, to say nothing of immense quantities of food products. Canada not only remains the breadbasket of the Empire, but is providing the mechanized equipment needed in war. Since the outbreak of the war the Canadian naval service system has convoyed 2,300 ships, carrying more than 16,000,000 tons of foodstuffs, metals and munitions, with losses of only ½ of 1%. "Not a single pound of bacon, not a shell or a cheese has been lost," The Financial Post explains. Evidently the U-boats are most effective against ships loaded with refugee children.

Congratulations, Financial Post

Canadian Statesman, Bowmanville

A few days ago the 96-page special edition, "Canada's Industrial Front," of The Financial Post reached our desk. As usual we took it up for a first hasty glance, but before we put it aside, later to carefully file it, we found that we had missed a few meals and had neglected pressing work.

This special edition portrays, in type and pictures, the vast industrial revolution taking place in Canada today. In clear, concise, accurate form it gives us the compelling picture of Canada at War. All branches of activity, from the primary to the manufactured, pass before us on these printed and pictured pages.

It reveals beyond all doubt that Canada is now in full stride as the greatest unit within the Empire, outside of the British homeland, in forging the sinews of warfare and for victory.

We are at a loss adequately to express our pleasure in the possession of this special edition. It will be kept in a handy file, ready for instant reference. More than that; any time we may find our patriotism lagging . . . we will reach into this file.

Congratulations to The Post; to its able staff writers, to all who had a share in its production; and to its far-seeing editor. May we thank him, too, for an extra copy for our library.

16,000,000 Tons Shipped

Kitchener Record

The Financial Post has done Canada a good service by issuing a supplement of 80 pages in which it draws back the curtain to show how the war is being won on the home front.

The special issue entitled "Canada's Industrial Front" involved a tremendous amount of research work. Among the many interesting items there is one which tells in a few words what has been accomplished so far in keeping Britain supplied with the sinews of war. It states that since outbreak of war the Canadian Naval Service system has convoyed 2,300 ships carrying more than 16,000,000 tons of foodstuffs, metals, munitions, lumber, etc., from Canada. Ship losses have only been one half of one per cent.

Canada has become more than the breadbasket of the Empire. This Dominion has taken on a larger role by assuming the new job of providing the metals and the mechanisms so essential to modern warfare.

Forging Victory

Brantford Expositor

Victory is being forged in the workshops of Canada. Full, fair and accurate documentary evidence of this is offered in an 80-page special supplement to the current issue of The Financial Post, Toronto. Therein is described a veritable "industrial revolution" through which this Dominion's war effort is being geared to high speed for maximum production.

Canada has not yet achieved complete efficiency in this regard. Many important war-winning projects are still in the blueprint stage. But lethargy has been shaken off completely and Government department heads and industrialists and the workers in the factories are swinging into their task in dead earnest.

Canada could—and should—have been farther ahead. There was too much indecision, too much hesitation, even too much complacency at Ottawa at the outset. That is regrettable but no useful purpose is to be served by plaintive wails or "I-told-you-so" criticisms. The important point, as The Financial Post asserts, is that Canadian industry is now organized for its full share of the "all-out, national effort," an effort that makes Canada "the second strongest unit in the front line," with Great Britain, of course, in first place.

Stop Me If

When the Government of Canada gave a dinner last week to visiting U. S. journalists, Clark Howell, publisher of the Atlanta Constitution, was asked to say a few words in reply to the Prime Minister's words of welcome.

Mr. Howell (whose paper published the much-quoted editorial, "Twelve O'Clock and All's Well") told of meeting an American lad at a Canadian training camp. He asked him how he liked the Canadian army. The lad replied:

"They're very friendly. When I went to enlist, the sergeant asked me what my name was. I replied 'Smith.' He asked me what initials. I said 'B.O.' He snapped back: 'Glad to meet you, Stinkie.'"

Week in Business

Business Starts Quarter On Way to New Heights

Production and Productive Capacity Being Steadily Increased Under War Pressure — Greater Diversification of Industry Seen

Canada enters the final quarter of the year with trade and industry at new high levels. The main impetus is coming from the war business, which is causing steady expansion in production and productive capacity. Capacity production, it is estimated, has not yet been reached. That, in the opinion of competent observers, will occur within the next year, possibly before. At that time employment will also reach a maximum, it is predicted. Further expansion in employment will mean larger buying power.

According to official pronouncements, however, efforts will be made by the Government to confine this buying to essential goods and those which do not interfere with the production of war supplies.

* * *

An important effect of the war on industry is the increased diversification of production. Owing to various reasons, such as labor supply, raw materials, etc., new industries are being located at different parts of the country. These new industries in some areas which heretofore have been mainly agricultural may have a powerful influence in the future especially in cases where the industry is of a type that will be needed when the war is over.

The wheat situation recently has shown some improvement. Storage space available has been greater than at first anticipated. This has been partly due to revised estimates of the facilities available in the West and the creation of new ones in the East. In addition considerable quantities of wheat have been taken recently by flour millers. Resulting increase in the quota which farmers can deliver to the Wheat Board will put a substantial amount of money in circulation in the West, strengthening business materially.

* * *

Retail trade in most centres is reported active. Groceries, confectionery, biscuits, etc., are reported active in practically all centres. Building supplies are also in good demand. Machinery and blacksmith's supplies have been active largely owing to war requirements. Clothing is reported in good demand.

Carloadings generally continue lower than a year ago. Some improvement has been noted in grain loadings over the previous week. Loadings of general merchandise, however, continue above previous weeks and last year.

Business Indicators

Current business maintains pace of recent weeks with the D. B. S. index of business activity for week ended Sept. 21 at same level as in previous week but lower than year ago, owing mainly to decline in carloadings and stock market operations.

Carloadings for week ended Sept. 21 above previous week, but lower than year ago. Total for year 12% higher.

Railway gross traffic earnings for third week of September below last year for both roads. Totals for year up 27% for C. N. R. and 17% for C. P. R.

Construction contracts awarded in September more than twice those of 1939 and up 64% for nine months.

Flour exports in August gain 52% over year ago, with wheat exports 11% above last year.

Electric power output for August 9% higher than year ago.

Bank debits show advance of 3% in August over last year.

Trend of Business shown by. The Financial Post Business Index and following key factors, new items for week being marked thus ■.

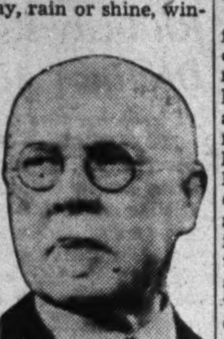
TREND OF BUSINESS—	Sept. 21	Sept. 14	Sept. 7	Aug. 31	Sept. 23/39
Weekly index of business, D.B.S.	104.5	104.5	103.6	104.3	107.1
Commodity prices index no.	83.0	83.0	82.8	82.7	77.9
	Aug.	July	June	May	Year Ago
The Financial Post business index	*144.2	139.5	141.7	136.2	121.0
Retail sales index no.	....	89.5	91.8	89.3	81.1
Dept. store sales index no.	89.8	87.6	81.4	82.7	73.1
Wholesale sales index no.	....	105.2	117.6	127.1	96.3
Country store (% change pr. yr.)	....	+6.2	+8.3	+8.5	—6.2
EMPLOYMENT Index Nos., D.B.S.	Aug. 1	July 1	June 1	May 1	Year Ago
All industries	127.9	124.7	120.9	114.3	117.5
Manufacturing	134.4	130.3	129.2	125.7	112.8
Wage earners, no. 000's	....	....	2,568	2,489	2,385
Living costs weekly budget	$17.90	$17.84	$17.72	$17.85	$17.02
			Jan. 1 to date		%
RAILWAYS—	1940	1939	1940	1939	Change
■Carloadings (week Sept. 21)	63,422	72,157	1,984,003	1,762,096	+12.5
■C.N.R. gross (week Sept. 21) $	5,043,389	5,651,182	171,924,969	134,725,677	+27.6
■C.P.R. gross (week Sept. 21) $	3,537,000	4,509,000	116,754,000	99,458,000	+17.4
C.N.R. net revenue (Aug.) $	3,668,181	638,203	24,040,849	347,712	....
■C.P.R. net revenue (Aug.) $	2,263,597	905,950	17,304,434	6,883,453	+151.4
IRON AND STEEL—Aug.—					
Pig iron production . (tons)	88,885	65,920	734,436	422.028	+74.0
Steel ingots and castings prod. .... (tons)	172,210	122,019	1,300,033	813,309	+58.6
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (July)	4,567	5,826	74,189	60.335	+23.0
Factory output .. (Aug.)	1,510	1,068	77,193	76,148	+1.3
Trucks and Buses:					
Domestic sales* .. (July)	2,282	2,057	19,460	15,531	+25.3
Factory output .. (Aug.)	12,483	2,407	62,180	30,217	+105.5
Financing:					
Used .... (Aug.) $	3,711,742	3,354,598	29,625,981	25,287,791	+17.2
New .... (Aug.) $	1,986,731	2,267,915	24,084,917	20,291,570	+18.7
CONSTRUCTION—					
■Contracts awarded (Sept.) $	52,260,000	19,379,100	247,749,000	150,781,900	+64.5
Cement prod., bbls. (June)	928,636	727,504	2,727,804	1,994,691	+36.7
AGRICULTURE—					
Flour prod. bbls. .. (July)	1,222,975	1,105,502	8.790,547	7,927,353	+10.8
■Flour exp., bbls. .. (Aug.)	575,756	379,276	4,641,626	3,005,[illegible]	+54.4
■Wheat exp., bush. .. (Aug.)	11,401,161	10,272,929	90,970,959	75,366,950	+20.7
Cattle sales▴ ...... (Aug.)	116,817	105,120	673,011	643,058	+4.6
Hog sales▴ .... (Aug.)	327,997	293,572	3,023,633	2,084,932	+45.0
SEA FISHERIES—‡					
Catch, cwts. .... (Aug.)	1,328,000	1,426,700	7,366,350	6,603,450	+11.5
Landed value ...... (Aug.) $	2,957,200	3,041,100	12,466,500	11,951,750	+4.3
NEWSPRINT—					
Production, tons ... (Aug.)	316,607	236,975	2,291,283	1,805,669	+26.8
Exports, tons ..... (July)	318,841	200,173	1,823,983	1,415,290	+28.8
MINING AND OILS—					
Coal prod., tons .. (July)	1,227,967	1,093,542	9,455,368	7,909,811	+19.5
Coal imports, tons . (July)	2,398,461	1,590,973	9,125,592	5,456,919	+67.2
■Gold prod., fine oz. (July)	456,626	439,925	3,028,668	2,929,894	+3.3
■Crude oil prod., bbl. (July)	877,133	899,169	4,558,162	4,270,407	+6.7
Crude oil imp., bbl. (May)	4,864,457	3,643.726	11,238,400	9,753,800	+15.2
ELECTRIC POWER OUTPUT—(August)—					
■Total monthly, 1,000 kw.h.'s	2,500,179	2,293.032	20,083,914	18,243,128	+10.0
FOREIGN TRADE—♦					
■Imports .... (Aug.)	96,835,858	62,708,079	682,432,876	441,767,448	+54.4
Exports .... (Aug.)	111,359,571	76,475,742	766.533,773	561,583,507	+36.5
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. .... (Aug.)	281,529	248,455	1,511,451	1,363,405	+10.8
Shoes, prod., pr. .. (July)	1,861,028	1,833,993	14,586,969	13.083,764	+11.4
Cotton consump.. lb. (Aug.)	16,200,326	11,950,149	127.931,558	74.467,698	+71.8
Raw rubber imp., lb. (July)	11,400,868	5,568,367	52,035,287	36,196,076	+43.8
Cigarette cons. No.† (Aug.)	620,889	719,562	4,865,781	4,689,886	+3.6
Sugar manufactured .. lb.§	65,603,276	101,582.123	549,006,346	489,370,866	+12.1
FINANCE—					
■Bank debits† ...... (Aug.) $	2,457,706	2,389,741	22,081,944	19,899,573	+11.0
Bond sales† .... (Aug.) $	83,513	113,427	1,341,912	985,864	+36.1
Life insurance sales (Aug.) $	24,698,000	26,494,000	241,225,000	234,781,000	+2.7

*D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. §For four weeks to Aug. 10, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.
▴Total at yards and plants.
New items for week marked ■

Keeping Posted . . .

By J. C. KIRKWOOD

In Ottawa is a company distributing motor cars which has been selling new and used cars at the rate of about four a day, rain or shine, winter or summer, good times or bad times, over the past 20 years. That's good selling in any part of Canada, but is quite wonderful selling when one considers the population of Ottawa — under 140,000.



JOHN C. KIRKWOOD

The company is Campbell Motors. It has sold over 25,000 new and used cars in the 20 years of its existence, and, at the probable average of $600 per car, the sales in the 20 years would gross $15 millions. Campbell's are distributors of Ford automobiles, trucks and tractors.

Does it need to be said that in order to sell four cars a day—25,000 in 20 years—there must be an unrelenting pressure on the car-buying public to buy cars and to buy cars from Campbell Motors?

D. Roy Campbell, president of Campbell Motors, is an intense and a persistent advertiser of his business. "We find," says Mr. Campbell, "that the more we advertise, the more business we get, both for our sales and for our service departments. This costs about $7,000 a year, but we are fully convinced that it pays.

"We have a staff of 18 salesmen," said Mr. Campbell, "and each man is expected to make eight visits and 10 telephone calls during the day, which means that our daily contacts total up to 324."

The story of Campbell Motors is quite amply told in the current issue Canadian Automotive Trade.

* * *

New Magazine

Canada has a new trade newspaper —"Timber." It has a variety of aims, one of which is expressed by J. M. Gibson, Professor of Forestry, University of New Brunswick, in his letter of felicitation to the paper's publishers. Mr. Gibson says, "It should assist in the education of the public and the development of informed public opinion not only in matters of manufacturing and marketing, but also in conservation and forest management."

The publishers are three trade associations—the White Pine Bureau, the Canadian Hardware Bureau, and the Lumber and Timber Association of Ontario, all three being affiliates of The Canadian Lumbermen's Association.

It is distinctly unusual for a number of common-denominator trade associations or individual commercial bodies to publish a trade newspaper. As a general thing trade newspapers are independent enterprises, produced by a man or company whose professed business is publishing as a way of making money.

* * *

I have found this first issue of Timber to my liking. Its contents and illustrations have an appeal to persons quite outside the lumber or construction industry—to persons interested in housing, for example, and in housing in its social aspect.

Yet I am wondering if a trade newspaper should be owned and published by "interests." It seems to me that a trade newspaper—or a daily or weekly newspaper—should, if it is to render the highest quality of service to its readers, be independent, meaning not an "organ" or mouthpiece for a particular industry, or group of industries, or a party, and financed by an industry or party. I have not tried to discover in what ways and in what manner this new publication will differ from the long-established trade newspaper, The Canadian Lumberman, published by The Hugh C. MacLean Company, and which has been "going" for 60 years.

* * *

Publisher a Trustee

Conceivably a trade newspaper financed and published by "interests" can become, at times, a "lobby" medium and a powerful one. Publishing, it needs hardly to be said, is a kind of business which, more than most kinds of businesses, needs to keep itself above suspicion. A publisher is much like a bank or a trust company in this respect: it invites and is given the public's confidence; it publicly avows itself to be a trustee, a servant of the public. Indeed, all national advertisers pose as trustees: they invite the public's implicit confidence, and most national advertisers strive to merit the public's confidence.

Not for a moment do I suggest that sponsors of Timber have it in their thought or purpose to do anything contrary to the public good—to use the "power of the press" selfishly, dangerously, unworthily. I am just trying to say that trade newspapers, like daily and country weekly newspapers, should be completely detached, financially, from "interests"—this in a purpose to keep faith with all those whose trust they invite and receive.

* * *

Hitchhikers

A motorless car hitch-hiked its way from Amherst, N.S., to Vancouver. Its drivers (?) solicited tows all the way across the continent from truckmen. These thumbers were F. J. Elliott and George Scott. Mr. Elliott uses trucks and buses to move a tented carnival from lot to lot in the Maritimes. Also, he has more serious businesses—the promotion of a motor show at Amherst in which trucks and buses and cars are exhibited, and long-distance trucking.

Operators of transportation services — for the transportation of human freight—are compelled by law to take extraordinary pains to ensure safety for their passengers. The inspection is in accordance with the systems defined by the bus and coach committee of the Canadian Transit Association. There are 28 scheduled inspections of the engine; 12 of the chassis; and 6 of the electrical installations.

A full account of these inspections is given in the September issue of Bus and Truck Transport in Canada.

* * *

Largest Drugstore

In Montreal is the largest drugstore in the world, according to the advertisements of Montreal Pharmacy. It is a drugstore which never closes—is open day and night. It has 150 employees. This drugstore published a double-page advertisement in a Montreal newspaper, and this advertisement has been reproduced, in reduction, in the Sept. 15 issue of Drug Merchandising. Says the advertisement: "We keep on our shelves and in our stockrooms over 48,000 varieties of preparations. It is estimated that our volume of sales exceeds the combined sales of 50 ordinary corner or chain drugstores in Montreal. We handle this enormous volume of sales under one roof, one proprietor, one manager, and one chief chemist." Charles Duquette it the sole proprietor. The general manager is a woman, Mrs. A. Carbonneau.

* * *

A New Brunswick firm, Milne, Coutts and Co., St. George, has a grocery store inside the factory where it fashions monuments from granite. Originally the grocery store was for the company's own employees, but now it is a store for the general public.

The store makes a special appeal in the summer months to motorists and tourists. Motorists are shown through the connecting granite plant. Close to the granite plant is an old pulp mill operated by water power.

Another New Brunswick grocery store—so reports Canadian Grocer—in Saint John, has, likewise an unrelated, or non-cognate, department, namely, a department for the purchase and sale of old coins. The proprietor, Arthur Pond, started his old coins hobby in England, and when he came to Canada 35 years ago, and started a grocery store, he did not give it up.

* * *

More Than Million Monthly

"More than a million a month" is a slogan printed on the envelopes containing correspondence mailed by The MacLean Publishing Co., Toronto. This slogan signifies that the combined circulations of all MacLean publications exceed one million copies a month. This is an achievement meriting proclamation.

* * *

Where Ships Are Built

If you were asked by, let us say, a visiting Britisher or American, "Where in Canada are ships built, and what does Canada do in the way of shipbuilding?" would your tongue be nimble?

It is true that we read in our daily papers about ship launchings and about contracts given shipbuilders, but such reading does not help one much to answer the question as phrased above.

A partial answer—it does not pretend to be a complete answer—to the question as above asked is provided by an excellent article in the August issue of Canadian Machinery and Manufacturing News, written by this paper's editor, R. C. Tiplady. His contribution is an authentic article on Canada's $50 millions naval programme, and describes some of the problems encountered in building naval vessels. The article is well illustrated.

Mr. Tiplady's visit was made to a shipyard where vessels of the naval patrol type are being built, including the hull, the boilers and the engines. The article is written for engineers and men of their class; but there was one paragraph which captured my attention: "The predominance of Scotchmen in such jobs in Canada reflects the widespread British influence in Canadian shipbuilding. Here is another of Canada's problems in developing skilled labor for this type of work. Men of the Scottish, Irish and English shipyards are no longer available; Canada must lose no time in training apprentices."

In this quotation is given direction to youths just out of school, and to their parents, toward an uncrowded vocational field.

ON TWIN CITY BOARD

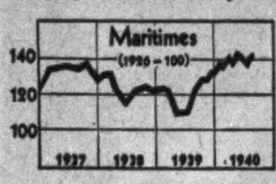
Hon. L. C. Webster, Montreal, was elected a director of Twin City Rapid Transit Co., filling a vacancy caused by the death of Hon. Frank Carrel, Quebec City.

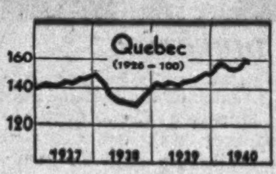
Business Gains Irregular In Economic Areas

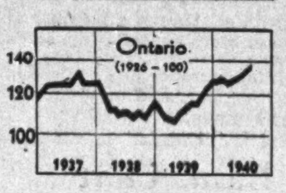
Although The Financial Post Business Index for all Canada in August rose to a new high level, the showing made in the five economic areas was irregular. Advances over the preceding month were shown in the Maritime Provinces and Ontario. Conditions were almost maintained in Quebec and British Columbia, while the Prairies showed recession largely due to decline in electrical output, bank debits and sales of life insurance.

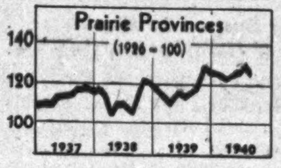
Gains were registered in employment in each of the economic areas except the Maritimes. Construction was active in the Maritimes, Ontario and Quebec. Manufacturing generally was more active in Ontario and boot and shoe plants were busier in Quebec.

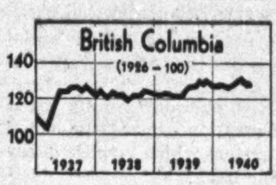
Compared with last year gains were shown in all areas.











Trend of Business in Economic Areas

	Aug. 1940	Change from Aug. 1939 %	July 1940
Maritimes:			
Constr. contr. .... $	3,868,000	+72.4	2,265,000
Bldg. permits .... $	899,000	+220.6	381,000
Life ins. sales ... $ 000	2,195	+5.1	2,181
Bank debits .. $ 000,000	64.4	+23.4	71.1
Elec. pwr. ... kw.h. 000	74,808	—4.8	80,829
Employment*	127.3	+9.4	124.5
Index	148.6	+14.2	140.0
Quebec:			
Constr. contr. .... $	17,685,000	+74.5	4,319,000
Bldg. permits .... $	2,597,000	+79.8	3,055,000
Life ins. sales ... $ 000	6,969	—7.7	7,861
Bank debits .. $ 000,000	724	—8.9	770
Elec. pwr. . kw.h. 000	1,022,598	+8.4	1,108,057
Employment*	136.4	+6.1	130.6
Newsprint prod. .. tons	316,607	+33.6	332,689
Index	159.9	+9.7	160.4
Ontario:			
Constr. contr. .... $	10,757,000	+11.4	11,986,000
Bldg. permits .... $	5,020,000	+85.7	4,660,000
Life ins. sales ... $ 000	9,980	—22.0	12,169
Bank debits .. $ 000,000	1,107	+14.0	1,089
Elec. pwr. ... kw.h. 000	874,007	+13.8	887,883
Employment*	134.8	+16.0	132.8
Livestock slaughterings*	190.3	+22.4	182.0
Steel production . tons	172,210	+41.1	169,577
Auto. production .. No.	13,993	+302.5	14,468
Index	137.9	+19.1	135.8
Prairie Provinces:			
Constr. contr. .... $	7,639,000	+248.3	8,204,000
Bldg. permits .... $	848,000	—18.5	2,235,000
Life ins. sales .. $ 000	3,206	—9.5	3,901
Bank debits .. $ 000,000	384	—5.7	516
Elec. pwr. ... kw.h. 000	154,098	—2.3	159,989
Employment*	117.0	+2.6	114.9
Wheat receipts .... bu.	35,186,000	—34.9	20,941,000
Wheat prices**	72.2	+31.7	71.3
Index	128.8	+8.6	131.4
British Columbia:			
Constr. contr. .... $	819,000	—49.3	2,532,000
Bldg. permits .... $	940,000	+21.9	816,000
Life ins sales $000	1,763	—20.4	1,851
Bank debits .. $ 000,000	177.9	+8.1	176.6
Elec. pwr. ... kw.h. 000	182,436	+8.9	175,415
Employment*	126.7	+8.7	119.0
Index	129.9	+1.6	130.2

**Cents and eighths of a cent per bushel.
*1926 = 100.

TRENDS IN THE FIELD OF INVESTMENT

Facilities for studying the frequent changes in the field of investment and the status of securities are available to this organization through its branches: These facilities are at the disposal of our clients at any of our offices.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

Investment Securities

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Offices at Toronto, Montreal, Ottawa, Hamilton, London.
Correspondents in New York and London, England.

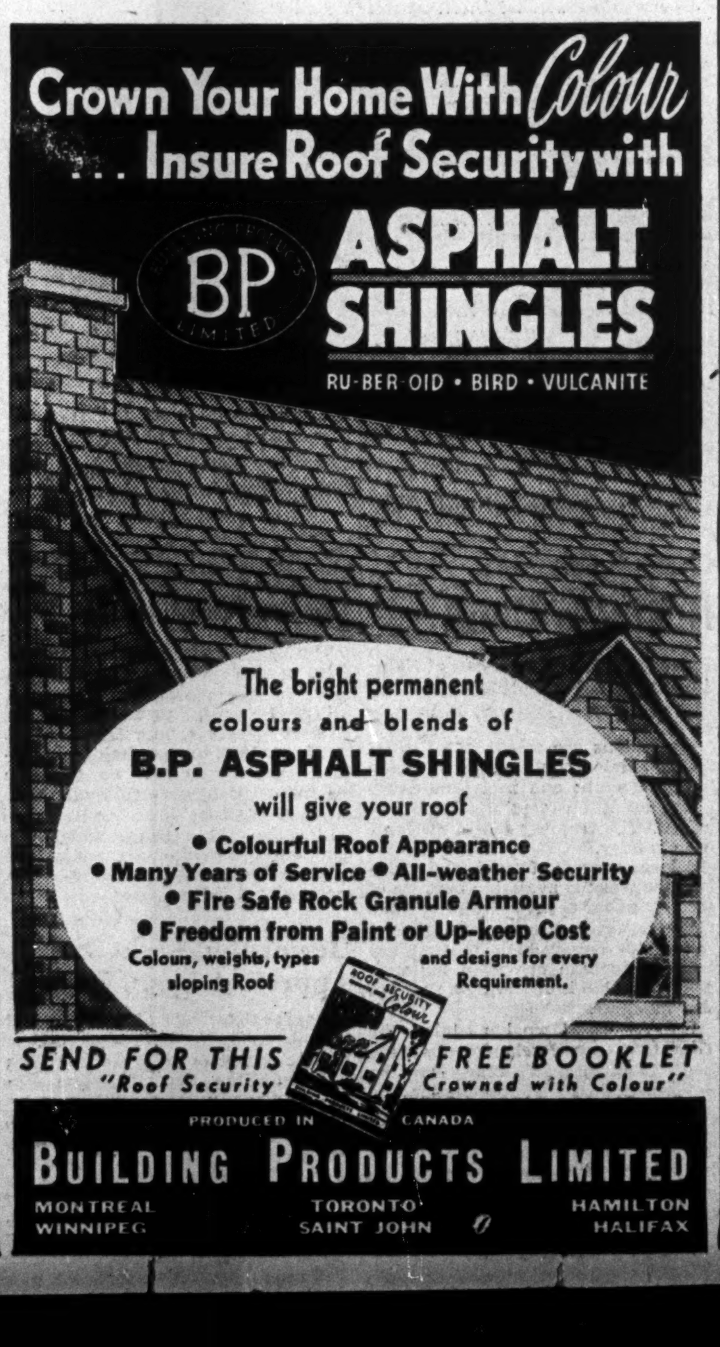
The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES:
Agency Building - - - - - Edmonton, Alta.
221 A 8th Ave. W. - - - - - - Calgary, Alta.
McCallum-Hill Building - - - - Regina, Sask.
411 Avenue Building - - - - - Saskatoon, Sask.

IT'S A FACT

That many successful business men overlook the appointing of a permanent and efficient executor of their estate, causing financial worries to their dependents.

Make your family secure from such worries by interviewing one of our trust officers. There is no obligation.

MONTREAL TRUST COMPANY
Montreal Trust Building
61 Yonge Street Toronto
J. F. HOBKIRK, Manager


Crown Your Home With Colour . . . Insure Roof Security with
BP ASPHALT SHINGLES
RU-BER-OID • BIRD • VULCANITE
The bright permanent colours and blends of B.P. ASPHALT SHINGLES will give your roof
• Colourful Roof Appearance • Many Years of Service • All-weather Security • Fire Safe Rock Granule Armour • Freedom from Paint or Up-keep Cost
Colours, weights, types and designs for every sloping Roof Requirement.
SEND FOR THIS FREE BOOKLET "Roof Security Crowned with Colour"
PRODUCED IN CANADA
BUILDING PRODUCTS LIMITED
MONTREAL TORONTO HAMILTON
WINNIPEG SAINT JOHN HALIFAX

SKF
BALL & ROLLER BEARINGS
ALL TYPES - ALL SIZES

ARMORED AGAINST TROUBLE
. . . and so are BARRETT ROOFS!

NATURE gave the humble tortoise a tough shell for protection.

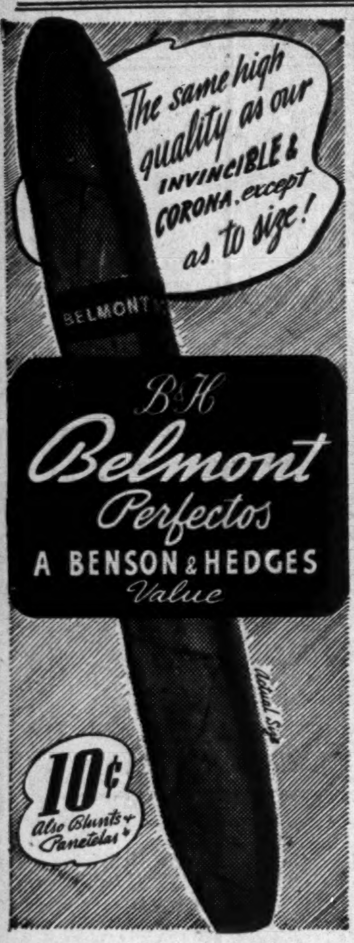
The gravel wearing surface of a Barrett Specification Roof has much the same purpose . . . it is an armor to the waterproofing. It not only guards the building against fire and mechanical damage to the roof, or damage by hail, but it also provides positive protection against the actinic rays of the sun, and permits the use of greater quantities of coal-tar pitch—the world's greatest waterproofing compound.

These are just some of the reasons which explain the superiority of Barrett Specification Roofs. Add the fact that when these roofs are applied by Barrett Approved Roofers according to time-proved Barrett specifications they are bonded against maintenance expense for periods up to 20 years.

The result is a degree of certainty in performance that finds few equals in the building Industry.

THE BARRETT COMPANY LIMITED
MONTREAL • TORONTO WINNIPEG • VANCOUVER
*Reg. Trade Mark, The Barrett Company Limited

The fire-safe gravel wearing surface of a Barrett Specification Roof offers lasting protection to the waterproof covering


The same high quality as our INVINCIBLE & CORONA except as to size!
BELMONT
Actual Size
10¢
Also Blunts & Panetelas
B&H Belmont Perfectos
A BENSON & HEDGES Value

Obituaries

Wendell McLeod Clarke, secretary of the Canadian Chamber of Commerce and formerly director of Commercial Intelligence Service, Ottawa, aged 48, at Montreal.

James G. Thompson, formerly manager of the Liverpool & London & Globe Insurance Co., aged 77, at Montreal.

Sir Fredrick Stupart, director of the Meteorological Service of Canada, aged 82, at Toronto.

ACCOUNTANCY
AND ALLIED SUBJECTS
The Shaw Higher Accounting Courses by Mail prepare for all accounting positions. Choose the Shaw Course. 40 years of success. 500 expert accountants for reference. The broader your knowledge the better qualified you are for advancement when the opening occurs. Course is planned in 3 sections—we can catch step with you at any stage and guide you to the top. Allied subjects include: Cost Accounting, Auditing, Corporation Finance, Practical Banking, Business Administration, Secretarial Practice, Economics, Commercial Law, etc.
Write for Catalogue. Shaw Schools, Dept RC-79 Bay and Charles Sts. Toronto, Ont.

TRADE WITH GREAT BRITAIN
The ramifications of the Royal Bank of Scotland throughout Great Britain and the entire World enable it to handle every description of British Empire and Foreign Banking business.
Head Office:
EDINBURGH
254 Branches in All
LONDON:
Chief City Office:
3 Bishopsgate, E. C. 2
ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter 1727)
Total Assets ..... $429,679,150 ($5 to £1)
Associated Bank:
Williams Deacon's Bank Ltd.

BURT
FANFOLD FORMS
—are serving thousands of progressive companies requiring multiple copy records in volume.
Ask your local Burt Systems expert for a survey of what Fanfold can do for your business.
BURT BUSINESS FORMS LIMITED
WESTERN SALES BOOK CO. LIMITED
Offices in all Principal Cities
Affiliates of
MOORE CORPORATION LIMITED
Toronto, Canada

Latest development in paper manufacture
"Sampson White Envelope"
has a bond finish; is carried in two weights; is brilliant white; is opaque, and has the unusual qualification of having the strength of a rag content bond three times the price.
Toronto Envelope Co.
LIMITED
366 Adelaide St. W., Toronto

Banking

Says Bars on Travel Saves $75 Millions

Alex. D. McBain Explains Who Will and Who Will Not Be Permitted to Spend the Winter in Non-British Tropics

Regulations of the Foreign Exchange Control Board restricting the travel of Canadians in United States have saved Canada the very important sum of $75 millions, Alex. D. McBain, Control Board officer told the annual dinner of the Advertising and Sales Club of Toronto in the course of an "Ottawa Interview" in which he answered questions in public.

Asked why it is so vitally necessary to prevent Canadians from visiting relatives or travelling for pleasure in the United States, Mr. McBain answered that in a war effort of the magnitude of the present one, a great quantity of essential war materials must be obtained in the United States. These can be bought only for U. S. dollars. Obviously, he said, if part of this country's supply of U. S. dollars is used to pay for non-essentials such as pleasure travel, the amount available for war purposes is reduced and our war effort handicapped to that extent.

Not Curtailing Expenditures

Mr. McBain emphasized that restrictions on travel do not mean that Canada is reducing her expenditures in the United States but merely curtailing purchases of non-essentials so as to have more to spend there for military equipment and war materials.

The only persons who will be allowed to spend vacations in the southern states this winter, Mr. McBain said, are those who can produce a medical certificate that it is necessary for them to leave Canada for medical reasons. Under such conditions the Foreign Exchange Control Board will sell U. S. funds sufficient to permit him wintering in a warmer climate.

The Board, however, may suggest that a suitable alternative may be found in the sterling areas, for instance in the British West Indies, so that the use of U. S. dollars may be confined to transportation expenses.

Elderly people who have not spent a winter in Canada for many years, Mr. McBain indicated, can obtain U. S. funds if they have a doctor's certificate that continued residence in Canada during the winter would endanger their health.

Travel To West Indies

Asked if there is any restriction on travel to the British West Indies, Bermuda, the Bahamas or South America, Mr. McBain ruled that if the trip is made in a Canadian boat there is no restriction on travel to the British West Indies, including Bermuda and the Bahamas, as long as no expenditure of U. S. funds is involved.

A nominal amount of U. S. funds will be provided, however, to enable a person to take a Canadian boat from Boston rather than Halifax or another Canadian port.

Travel to South American countries other than the British possessions involves expenditure directly or indirectly to U. S. funds and is not permitted, he added.

Asked if a man going to a convention in the United States could buy the necessary U. S. dollars and take his wife along with him, Mr. McBain stated that the policy of the Foreign Exchange Control Board had been to allow adequate Canadian representation at such gatherings. Generally, he said, wives are permitted to accompany their husbands provided only a nominal increase in the expenditure of U. S. dollars is entailed.

Asked what further restrictions might be expected on the use of American dollars to buy goods or pay dividends and interest, Mr. McBain replied that this was a matter of Government policy which he could not answer.

He intimated, however, that if Canada's expenditures in the United States for war purposes should greatly increase or be continued for any considerable time, it seemed reasonable to expect that expenditures of U. S. dollars for non-essentials might be further restricted.

U. S. Neutrality Act

Mr. McBain admitted that the U. S. Neutrality Act was a contributing factor to the establishment of Foreign Exchange Control, but Foreign Exchange Control was by no means an inevitable result of the Neutrality Act. He added that even if Canada could borrow in the United States, it would be a matter of Government policy as to whether she should do so or try to pay out of her own resources as far as possible.

Asked if it would not have been better to ask the U. S. authorities to exempt Canada from the operation of the neutrality laws, and reopen their investment markets to Canada, Mr. McBain said it was not for Canada to suggest the repeal of a law that suits the people of the United States. Foreign Exchange Control, he said, was not adopted merely because Canada could not borrow in the United States. Any restrictions imposed on Canadians were caused primarily by Hitler and the American Neutrality Law had nothing to do with them.

"Borrowing in foreign markets for war purposes," he said, "merely postpones the time for payment and generally speaking is a shortsighted policy as long as foreign exchange is being used by Canadians for the purchase of non essentials."

Questioned as to the circumstances under which the Government might take over American securities in Canada owned by Canadians, Mr. McBain observed that if demands on Canada's available supply of U. S. dollars becomes such that even with the imposition of greater restrictions on payments for non-essentials a shortage of U. S. funds were likely, some such action might conceivably be considered.

Help for the Board

Asked how business could further assist in this aspect of national mobilization Mr. McBain suggested that individuals make every effort to:

Reduce expenditures of U. S. dollars for purposes not essential to the conduct of the war.

Explain, particularly to Americans, the underlying reasons for exchange control.

Encourage friends and associates in the United States to visit Canada.

The Board, he stated, was always ready to receive suggestions of ways in which any inconvenience caused by its regulations could be minimized without loosening control.

Weekly Statement Bank of Canada

An advance of $25 millions to the Dominion Government is shown in the statement of the Bank of Canada for the week ended Sept. 25. This possibly reflects needs in connection with the maturing of the loan for $75 millions issued in 1925.

Investments in short-term issues of the Dominion Government were down $32.7 millions possibly due to the same cause.

Balance Sheet

	Sept. 25 1940 $	Sept. 18 1940 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	327,430,937	324,568,448
Rest fund	2,449,757	2,449,756
Depos.: Dominion ..	26,828,795	42,189,771
Bank	228,918,648	218,763,806
Other	7,539,909	8,670,830
Total deposits	263,287,352	269,624,407
All other liabs.	7,643,688	5,869,616
Total liabs.	605,811,734	607,512,227
Assets		
Reserve:		
In sterling & U. S.	31,913,948	27,010,947
Subsidiary coin	284,276	287,313
Advances to banks .	1,000,000	1,000,000
Do., to Dom. Govt.	25,000,000	....
Investments:		
Dom. Govt. short .	417,085,195	449,759,530
Other Dom. Govt.	123,492,127	121,732,957
Total invest.	540,577,322	571,492,487
Premises	1,732,547	1,731,272
All other assets	5,303,641	5,990,200
	605,811,734	607,512,227

Weekly Bank Clearings

	Sept. 26 1940 $	Change yr. ago %	Sept. 19 1940 $
Halifax	2,612,911	+9.5	3,237,390
Saint John .	1,844,042	+8.0	1,995,830
Moncton ...	927,286	+27.1	859,946
Sherbrooke .	771,195	+5.4	854,130
Quebec	4,710,536	+4.4	5,403,157
Montreal ...	89,461,095	+3.2	96,571,937
Ottawa	27,425,802	+67.8	27,147,685
Kingston ...	722,106	+7.1	693,441
Peterborough	555,296	—10.9	604,149
Toronto	84,465,351	—4.1	100,614,720
Hamilton ..	5,420,927	+0.9	5,617,849
Kitchener ..	1,056,833	—3.9	1,219,136
Brantford ..	863,970	+8.7	942,735
London	2,309,734	+3.2	2,731,303
Chatham ...	573,169	—5.9	604,256
Windsor	3,058,443	+24.7	3,187,491
Sarnia	385,536	—7.0	437,435
Sudbury	1,081,371	—5.1	856,365
Fort William	776,216	+0.7	938,444
Winnipeg ...	52,554,475	—32.3	54,214,269
Brandon	411,202	—4.6	410,645
Regina	9,149,401	—10.6	8,431,239
Moose Jaw .	753,022	+3.5	862,157
Saskatoon ..	1,708,455	—5.1	1,622,111
Prince Albert	366,534	—4.9	418,584
Edmonton ..	4,142,853	+0.9	4,857,840
Calgary	6,486,080	—13.9	5,766,868
Lethbridge .	569,490	—20.2	592,573
Medicine Hat	401,966	+0.4	346,274
N. W'minster	756,169	+19.2	637,791
Vancouver .	18,106,447	+6.0	16,444,067
Victoria	1,846,641	+18.0	1,809,017

Maple Leaf Subsidiaries Cut Down Capital

Capitalization of two wholly owned subsidiaries of Maple Leaf Milling Co. has been reduced to write down the value at which the investments are carried on the parent company's books. It involves no more than bookkeeping entries, it is explained officially.

Campbell Flour Mills Co. is granted supplementary letters patent dated Sept. 9, last, decreasing its capital from $1.3 million to $100,000. The decrease is to be effected by cancelling 6,500 preference and 5,500 common shares, all of $100 par value and held by Maple Leaf Milling. A transfer of $729,197 is authorized from Campbell Flour to Maple Leaf, involving the repayment of funds loaned by the parent company.

Hedley Shaw Milling Co. has been granted supplementary letters patent dated Sept. 6, decreasing capital from $1 million to $100,000. This is effected by cancelling 5,500 unissued shares and by cancelling 3,500 shares issued and held by Maple Leaf.

NEW DIRECTOR

Leigh M. McCarthy has been appointed director of the Canada Permanent Mortgage Corporation to fill the vacancy on the board created by the recent death of A. B. Campbell. Mr. McCarthy is a member of the firm of Mara & McCarthy, stock brokers; a director of The Manufacturers Life Insurance Co., of Canada Malting Co., Ltd., and of a number of other companies.

Bank Chat

Paging System in Bank

For the benefit of both bank personnel and customers, the First National Bank of Palm Beach has installed a loud speaker telephone paging system.

When a member of the staff away from his desk is wanted or somebody outside the office wants to speak to a customer, the telephone switchboard operator simply gives the information over the loud speaker system which reaches every part of the bank.

Thus if a customer is urgently needed the operator will say, "Good morning, will Mr. Jones please call his office," or if a bank official away from his desk is wanted for an interview, "Will Mr. Brown please go to the conference room."

Officials of the bank feel that the new service will prove a great convenience and time saver for both customers and personnel.

* * *

Bank Branches

The Bank Directory of Canada for September shows two branches of the chartered banks closed in the last month with none opened. The branches closed, belonging to the Bank of Montreal, one at Banff, Alta., and the other at Lake Louise, Alta., had been opened to serve the tourist trade. The number of branch banks in Canada is now shown at 3,314.

* * *

Alert Teller

Head office officials of one of the Canadian chartered banks are telling proudly how the alertness of one of their tellers in an Ottawa branch resulted in the capture of a pickpocket.

The circumstances were these:

A Toronto man went to one of the beaches one evening not so long ago, carrying about $1,200 in cash on his person. Putting his hand in his pocket later he found his roll gone. He told the police he had had eight $100 bills and eight $50 bills which he had withdrawn from from the bank. The Toronto police sent wires to all branch banks in the country, notifying them of the theft.

The teller in Ottawa, when he saw the wire, remembered that he had changed a $100 note for a stranger the day before. He still had the bill among his cash and was able to give the police a good description of the man who had presented it. Before nightfall the man was in custody of the police and other evidence showed that he and the Toronto pickpocket were the same.

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

R. J. WELLS to be manager, Bourlamaque, Que.

E. J. McDONALD, manager, Bourlamaque, Que., to be manager, Cobalt, Ont.

R. H. HUNTER, manager, Trenton, Ont., to be manager, Moncton, N.B.

A. G. SHATFORD, manager, Saint John, N.B., to be an assistant manager, Montreal.

C. J. LOUGHLIN, manager, Moncton, N.B., to be manager, Saint John, N.B.

F. P. BOYCE, manager, Taber, Alta., to be manager, Trenton, Ont.

MUNICIPAL HONOR ROLL

Five Years of Progress by Local Government

BROCKVILLE, ONT.

Brockville is the twentieth in a series of municipalities included in The Financial Post Municipal Honor Roll for 1940.

These municipalities are those which are considered to have shown stability over a period of years, or in the recent years have made outstanding progress in improving their financial standing. No attempt is being made to run these in sequence of merit or size.

Brockville, Ont., has a record of stability and permanence unique among Canadian towns. One of the older Ontario towns, it has been fairly static since the last war. Over-expansion, common to many Canadian towns during the 1920's, was not true with Brockville and no undue increase in debt was shown.

Per capita net debt of about $39 at the end of last year is remarkably low. Assessment is exceptionally conservative, and in line with this the mill rate is low also.

Serving a stable farming community in Leeds County, and with industries producing necessary lines such as furnaces, hardware, dairy products and breakfast foods, the town weathered the difficult years of the early 1930's with no serious dislocation to its financial position.

Relief has been met out of current revenues fairly consistently. At no time did this item prove as burdensome as most towns of its size.

Public utilities owned by the town consistently have shown surpluses.

Statistical Picture

	1939	1938	1937	1936	1935
Population	9,961	9,995	9,983	9,903	9,874
Assessment (taxable: in $000's)	8,276	8,197	8,189	8,092	8,511
Assessment per capita	830.81	821.10	820.14	817.08	862.00
Mill rate	43.5	46	45	46	44.5
Tax collections:					
Current collections to curr. levy %	86.3	87.2	86.7	86.7	86.5
Current & arrears to curr. levy %	98.6	100.1	98.5	98.7	98.6
Net debenture debt (in $000's)	388,651	436,567	496,682	574,288	647,627
Net deb. debt per capita $	39.02	43.68	49.75	57.98	65.59
Other liabilities	6,141				......
Relief exp. funded	......	8,000	......	......	56,000
Relief met out of curr. rev.	12,320	19,205	8,000	19,896	......

Last Debentures Sold

$5,161; 5-year 3% debentures sold at par and a cost basis of 3%.

South Africa Seeking Lumber From Canada

Representative Emphasizes We Must Process it the Way They Like it

From Our Own Correspondent

VANCOUVER.—South Africa, shut off by the war from her normal sources of supply, needs British Columbia lumber, and Hirsch Hillman, one of the biggest lumber importers in Johannesburg, is here to see that she gets it.

"My object in coming to B. C. at this time is not so much to place a few orders with Pacific coast sawmills as it is to smooth the way for a growing, permanent trade between the two dominions," explained Mr. Hillman. "I am concerned with the long view rather than with the present emergency."

Mr. Hillman, who primarily represents his own firm but whose visit to this province is being unofficially sponsored by the South African Government and all others interested in developing a dependable supply of lumber for South Africa, has been in conference here with leaders in the industry.

"In the past South Africa has been a consistent buyer of B. C. lumber, but not in important volume," said Mr. Hillman. "We have relied on the Baltic countries, Russia and Scandinavia for about 80% of our annual imports of about 100,000 standards (roughly 200,000,000 board feet). We have to look elsewhere now, for the war has shut off all our lumber from Europe.'

"We feel that it will be more satisfactory all round to keep this business in the Empire," said Mr. Hillman.

Canadian lumber enters South Africa duty free, while there is a 3% duty on U. S. lumber. Transportation no longer presents a problem as deepsea tonnage is adequate.

"One important factor that influenced us in dealing with the Baltic countries was their manufacturing technique," said Mr. Hillman. "They studied our requirements and really gave us what we wanted. We will naturally expect the same service from B. C.

"The long voyage makes it necessary to have only well seasoned, dry timber, and we are confident that if B. C. mills really want the business they will make it their business to meet that situation. We are already convinced of the merit of your Douglas fir, hemlock, cedar and other species, but we must have it in good condition when it reaches us."

Many Firms Get War Orders

Larger Items Continue to be For Construction Contracts on Air Scheme

Among the $17.2 millions of orders and contracts awarded by the Department of Munitions and Supply, and announced to Sept. 7 are substantial number going to companies in which there is public investment interest.

Largest individual items continue to be for construction contracts, chiefly in connection with the Air Training Plan.

Summary of the orders going to investment companies follows:

	$
Foodstuffs:	
Eastern Bakeries	6,525
National Grocers	9,845
Canada Packers	32,138
Burns & Co.	11,839
Clothing & accessories:	
Montreal Cottons	75,900
Dominion Woollens	114,145
General Steel Wares	52,756
Dominion Textile	7,125
Barrack stores:	
General Steel Wares	7,523
Robert Simpson	65,775
Woods Manufacturing	9,075
Dominion Textile	20,900
Naval stores:	
Canada Wire & Cable	191,616
Can. John Wood Mfg.	16,441
Dominion Bridge	12,228
Hamilton Bridge (Western)	10,285
Mechanical Transport:	
Dunlop Tire	33,664
Goodyear Tire	71,093
Ford of Canada	690,902
Western Steel Products	54,983
Aircraft supplies:	
Canadian Vickers	52,156
Canadian General Electric	41,469
Noorduyn Aviation	8,535
Fleet Aircraft	5,976
de Havilland	8,095
Gasoline, oil & fuel:	
Dominion Coal	15,307
McColl-Frontenac	158,160
B. A. Oil	158,160
Imperial Oil	129,276
Machinery, tools & hardware:	
Sutton-Horsley	64,200
Ontario Steel Products	9,875
Electrical equipment.	
Canada Wire & Cable	28,600
Canadian General Electric	14,094
English Electric	14,410
Munitions:	
General Steel Wares	5,681
Frost & Wood	28,350
Inter. Metal Industries	85,050
Rogers-Majestic	50,193
Ordnance:	
Sunshine Waterloo	5,766
Construction Contracts:	
Standard Paving	63,700
Other:	
General Steel Wares	21,998
Dominion Oilcloth	7,650

Cub Aircraft Business Good

New plant of Cub Aircraft at Hamilton is nearing completion and moving to the new building is in progress.

Operations are stated to be satisfactory. Sales continue to be made to flying clubs and individuals. No government business has been obtained. The training school at Hamilton is busy.

A large volume of repair and maintenance work is available because of activity under the Air Training Plan. Government contracts with the flying clubs engaged in preliminary training include provision for such work and Cub is obtaining a share of this business.

Cub Aircraft Corp. has advised the Toronto Stock Exchange that the Sept. 15 installment, comprising an option of 25,000 shares under the agreement with Sheldrake Securities Corp., has not been exercised. This is the second installment which has not been taken up under the agreement, but, as no notice of cancellation has been given the optionces are required, the agreement continues in good standing.

Railway Revenue Declines Again

From Our Own Correspondent

MONTREAL. — Following two previous weekly decreases, Canadian Pacific Railway Co. reports decline of $972,000, or 21.6% in gross traffic earnings for the week ended Sept. 21. Gross for the week was $3.5 millions, compared with $4.5 millions the corresponding week last year.

Cumulative gross earnings of Sept. 21 amounted to $116.8 millions, an increase of $16.3 millions, or 17.4% over the corresponding period last year.

Canadian National Railways also report a drop in earnings. A decline of $607,793, or 10.8%, is shown in gross traffic earnings for the week ended Sept. 21. Total for the week was $5 millions, $5.7 millions the same week last year.

Cumulative gross earnings to Sept. 21 amounted to $171.9 millions, an increase of $37.2 millions, or 27.6% over the same period last year.

Ontario Relief Down 34% In 8 Months

Welland Tops List With Cut of 75% — Toronto Last

Direct relief expenditures of 40 Ontario municipalities of $8.4 millions for the first eight months of 1940 show a reduction of almost 34% from the same period of last year, according to figures released by Hon. Eric Cross, Minister of Municipal Affairs, Ontario.

Heading the list is Welland, which shows a reduction of about 75%. Next in order are Sault Ste. Marie, Trenton and Toronto Townships. Except for Hamilton—tenth on the list —the larger cities are well to the bottom. Windsor is 35th, with a decrease of 33%; Ottawa 39th, with a cut of 27%; while Toronto is last. Its relief expendtiures of $3.7 millions are off 25% from the 1939 period.

List of all the 40 municipalities follows:

Reduction in Ontario Relief Eight Months Ended Aug. 31

	1940 $	1939 $	Decr. %
Welland	16,787	67,085	75.0
Sault Ste. Marie.	54,547	127,930	57.4
Trenton	34,414	76,223	54.9
Toronto Twp. ..	24,776	54,557	54.6
Fort William ...	66,540	136,236	51.2
New Toronto ...	33,535	68,711	51.2
Stratford	46,879	95,526	50.9
Brantford	145,037	293,350	50.6
Galt	22,174	42,612	48.0
Hamilton	599,630	1,151,198	47.9
Kingston	50,783	96,312	47.3
Sudbury	56,088	106,392	47.3
Owen Sound ...	20,489	37,643	45.6
Collingwood	26,706	48,777	45.2
Port Arthur	92,561	166,832	44.5
Long Branch ...	30,062	53,823	44.1
Peterborough ...	56,858	100,200	43.3
Niagara Falls ...	117,839	205,425	42.6
York, East Twp.	218,640	378,294	42.2
Stamford Twp. .	57,160	98,402	41.9
Mimico	41,807	68,996	39.4
Guelph	61,176	100,441	39.1
St. Catharines ..	134,542	220,380	39.0
Etobicoke Twp. .	66,406	107,910	38.5
Kitchener	70,300	113,728	38.2
Chatham	18,949	30,485	37.8
Scarboro Twp. .	146,608	234,903	37.6
Oshawa	135,667	210,827	35.7
London	225,956	347,906	35.1
Woodstock	20,247	31,063	34.8
St. Thomas	30,493	46,592	34.6
York Twp.	570,503	857,393	33.5
Kenora	37,611	56,384	33.3
York, North Twp.	74,316	110,378	32.7
Windsor	580,912	861,334	32.6
Timmins	44,892	64,258	30.1
Sarnia	31,730	44,545	28.8
Belleville	30,298	41,920	27.7
Ottawa	618,716	842,034	26.5
Toronto City ...	3,658,897	4,875,652	25.0
Total	8,371,532	12,672,658	33.9

Inter. Metal Business Up

Indications Point to Higher Profits — Reduces Arrears

International Metal Industries Ltd. has experienced a good gain in business to date this year over corresponding period of 1939. This better scale of operations has been shown in both Canada and the United States. The company obtains about 85% of its operating profits from the United States and the balance from Canada.

It is understood war contracts have not contributed to any appreciable extent though this situation may easily change in the near future.

Net Higher

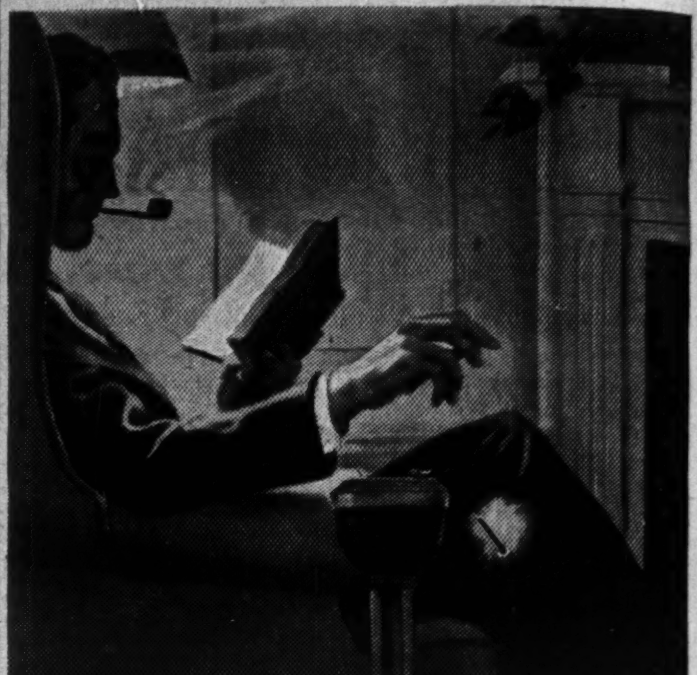
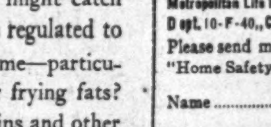
It is expected that net profits for 1940 will be above the level of 1939 when $2.62 a share was earned on the Class A common before taking the participating feature into consideration.

The company has declared a dividend of $6 a share on account of arrears on its preference and series A preference stock, to be paid along with the regular quarterly of $1.50 on Nov.1, 1940, to shareholders of record Oct. 15. Arrears on the two classes of preference following this payment will be $16 a share. This will make $12 a share which the company has paid on arrears in 1940 as a previous payment of 6% was made May 1 last.

Hermiston Light Sale Approved by S. E. C.

Approval for sale of properties of Hermiston Light & Power Co. to Pacific Power & Light Co. has been given by the Securities and Exchange Commission, Washington.

International Utilities Corp., Hermiston Light, and Ralph Elsman, trustee, filed the application seeking the approval. The purchase includes all assets, except cash, and the price is about $161,632 cash. Hermiston Light & Power is to be liquidated and dissolved.


Be careful of that match!
THE FAMILIAR, helpful match *can* turn into a dangerous enemy.
Employed carelessly, discarded thoughtlessly, or left within reach of children, the match ranks among the foremost causes of household fires which account for most of this country's annual deaths from burns.
Naturally, the match isn't the *only* fire hazard we must guard against in our homes. Many other things we make use of every day are dangerous if misused.
In *your* home, for instance, are the following fire precautions strictly observed? . . .
▶ Are you sure that all electrical appliances are equipped with only standard, approved connection cords and wiring, and are in good condition?
▶ Do you avoid the use of gasoline and other flammable liquids for cleaning in the home? . . . the use of kerosene for lighting fires?
▶ Do you keep your gas burners clear of grease which might catch fire? Are your burners regulated to prevent too high a flame—particularly when broiling or frying fats? Do you tie back curtains and other flammable material which might blow onto the flame?
▶ Is every stove, furnace, or hot pipe shielded adequately from wooden surfaces? . . . Are ashes placed only in metal containers?
These are just a few of the highly important safety measures which deserve your attention. There can be no doubt that, if more of us had a thorough understanding of the various fire hazards, of fire prevention, and of effective fire fighting, the annual toll of lives would be reduced, and an enormous saving could be made in the nation's annual fire loss—*a loss which last year was estimated at more than $24,000,000.*
To help you safeguard your home and your family against fires and other accidents, Metropolitan offers a *new*, interesting, free booklet, "Home Safety Quiz." Co-operate with your local organizations during National Fire Prevention Week—beginning October 6th — by checking up on possible fire hazards in your home.
Metropolitan Life Insurance Company,
Dept. 10-F-40,, Canadian Head Office, Ottawa.
Please send me a copy of your booklet, "Home Safety Quiz."
Name ....
Street ....
City .... Province ....
Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
FREDERICK H. ECKER Chairman of the Board
LEROY A. LINCOLN President
CANADIAN HEAD OFFICE—OTTAWA


Banking Service
1817-1940
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.
Assets of £130 millions. Over 900 branches in Australia, New Zealand & Pacific Islands.
London Offices at 29 Threadneedle St., E.C.2. and at 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout Canada.

Montreal Listings Show Gain in Value

From Our Own Correspondent

MONTREAL.—Value of securities listed and traded on the Montreal Stock Exchange and Curb Market in August continued to show recovery from record low.

At Aug. 31 value totalled $6,635.1 millions, an increase of $443.3 millions from the end of July. An increase of $100.3 millions is shown in comparison with values at the end of August last year.

The new Super-speed
L C SMITH
Means new freedom for secretaries. New speed, less fatigue, new typing aids all save time and energy. Automatic margin set —new concealed touch selector—new line space mechanism. Retained also are the famous Smith *floating shift*, interchangeable platens and other time proven features. Free demonstration at
L. C. SMITH & CORONA TYPEWRITERS OF CANADA, LTD.
37 Front St. E., Toronto, Ont.
Branches and Dealers throughout Canada

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Massey-Harris

I bought Massey-Harris common shares at $5 a share. What are the prospects of the market returning to this level? What is the general situation in regard to this company and its prospects?

It is quite possible you will again be able to sell your Massey-Harris Co. common shares at or above your cost of $5 a share. Current quotations of around $3.50 a share are well below the year's high of $6⅝.

Prospects for this stock are not any too clear. Ahead of it is 12.1 millions of 5% preferred on which arrears were $45 a share last November. Some method of settling these arrears must be worked out before there is any prospect of common shareholders obtaining dividends again. In the year ended Nov. 30, 1939, the company had a balance of 14 cents a share available for the common after providing for the preferred dividend which was not paid. This compared with 62 cents in the previous year. Sales for the first six months of the current year were about 6% higher than in the previous period.

Position of the farm implement industry generally for the last half of the year, which is its most important sales period, underwent a considerable change when it became evident Canada was going to have a great surplus of wheat and that actual purchasing power of the farmers was going to be disappointing.

This company is working on substantial war orders which will probably contribute something to earnings. Its position with regard to the excess profits tax is somewhat doubtful but it would seem probable that Massey-Harris would have a good case to ask for some special treatment.

Massey-Harris does about one third of its business normally in Canada, another third in United States and the balance in various export countries which were chiefly the other parts of the British Empire and South America. The export end of the market has become increasingly difficult since the outbreak of war. Plants in France and Germany have passed under enemy control.

National Grocers

What likelihood is there of a dividend on the common stock of National Grocers Ltd.? Could you indicate the trend of this year's sales and latest figures of net profit?

It is not at all certain as to when shareholders of common stock in National Grocers Co. can expect an initial dividend. This question received considerable attention at the last annual meeting of the company held in Toronto and Archie Foster, chairman and president, felt quite strongly that the matter should not be rushed. Under pressure of shareholders, however, Mr. Foster promised the question would be discussed at the first meeting of directors. Uncertainty as to the effect of new taxes and general wartime conditions, however, have caused them to decide against payment at this time.

Fact to be considered in connection with the possibility of dividend action on the common stock is the cash position of the company. The balance was not large at the end of last fiscal year as the company carries high inventories and also its accounts receivable figure is high.

In line with general business, sales of National Grocers since the beginning of the fiscal year on April 1 last probably have shown an increase from the corresponding period of last year. The company reports business for the first four months of the present fiscal year has been at least as good as in the corresponding period of 1939.

Net profit of $599,493 in the year ended March 31 last was the highest in the history of the company and about $155,000 ahead of the previous year. Position of the common stock should improve with operation of the preferred sinking fund and again through the continued retirement of the company's serial bonds.

Brewers & Distillers

What are the latest earnings figures on Brewers & Distillers of Vancouver? Do you think it will maintain the current rate of dividend payments?

Brewers & Distillers of Vancouver has just reported consolidated net profit for the six months ended June 30 at $140,603 after depreciation and taxes. This compares with $202,627 in the corresponding period of 1939. Apart from higher taxes, it is stated the decrease in net profit is more than accounted for by complete liquidation of inventories of American type whiskies which were taken into the 1939 accounts.

Current quotation of around $5.25 a share on this stock is very close to the year's high. The dividend of 75 cents a share paid in April gives an excellent return. Whether or not this rate of payment will be maintained now that the American business is completed cannot be foretold. The company has a strong liquid position with cash and Dominion bonds of $1.3 million at the end of 1939, comparing with total current liabilities of $374,645.

Wartime exigencies might conceivably result in measures which would curtail sales of liquor companies in Canada, although the higher taxes imposed last year do not appear to have had any very serious effect as yet.

Algoma Central

I have just sold some 5% bonds of Algoma Central & Hudson Bay Railway for 7¾. I am wondering if I made a mistake, and if it can be regarded as an issue worth buying in the future?

It can be taken for granted that Algoma Central and Hudson Bay Railway Co. is being aided by much improved operations for the newsprint industry and other industrial concerns in the Algoma district. This would include Algoma Steel Corp., which has been exceedingly active for some time past.

Algoma Central has reported an unbroken string of losses, before allowing for interest on the 5% income debentures since 1930. Last year, the loss was $419,832 after depreciation and terminal rentals, but before income debenture interest.

It would take a substantial improvement in the company's position for it to cover interest charges. The company has not been paying rentals on its terminals, which are owned by Algoma Central Terminals, for a number of years. These rentals are a prior charge to bond interest. If liability for unpaid terminal rental and bond interest is not included, the company have a fair liquid position.

Fleet

Will war business have much bearing on the operations of Fleet Aircraft Ltd. this year?

Fleet Aircraft Ltd. is participating actively in war business. It supplies two models, the Fleet Trainer and the Fleet Model 60 Advanced Trainer for the Air Training Plan as well as participating in Canadian Associated Aircraft. In January of this year the company received an order for 404 training planes and extra parts valued at approximately $2.2 millions, and aircraft engines, valued at $1 million. Total orders received from the War Supply Board this spring amounted to more than $3.3 millions.

With the volume of business on hand now, the company appears assured of a satisfactory year. Earnings will probably be considerably more satisfactory than in 1939 when sales volume was reduced because of general conditions in the industry.

Candn. Vickers

Would you please outline for me arrangements made between Canadian Vickers Ltd. and bondholders?

Bondholders of Canadian Vickers Ltd. approved a temporary proposal for meeting default on the bonds and and Montreal Dry Docks situation early in August. A committee was appointed to represent bondholders consisting of A. F. Culver, R. D. Bell, Gerald Hanson and J. I. Rankin. A plan of reorganization will be drawn up by the committee to supplant the temporary measures when they expire.

Since the outbreak of war the company has received a substantial volume of orders arising from manufacturing of war materials such as anti-submarine craft, ship repair, aircraft and other supplies. The company faced the necessity of providing the means of modernizing equipment and rehabilitating certain plants for the production of war equipment. The company therefore appealed to bondholders to arrive at some temporary scheme to enable it to fulfil war contracts.

By this plan the bondholders will:

1. Postpone interest payments due Aug. 1, 1939, to Feb. 1, 1942, inclusive, and provide that each of these interest payments will be payable in three years after original due date with interest at the rate of 6% annually from original due date.
2. Cancel the company's obligations to make payment of sinking fund, which became due Aug. 1, 1933, and sinking fund payment which will become due on or before Aug. 1, 1942.
3. Authorize trustee to release to the company for capital expenditure annual government subsidy for 1939, 1940 and 1941.
4. The representative Bondholder's Committee is empowered to create and issue prior lien bonds not to exceed $750,000.

The Committee can also sanction any settlement which may be proposed in regard to the company's liability as guarantor of the first mortgage bonds of Montreal Dry Docks Ltd.

The company has made extensive advances to Montreal Dry Docks. These loans aggregated $372,124 at Feb. 29, this year. Guarantee as to principal amount and interest unpaid on Montreal Dry Docks bonds to Feb. 1 total $598,370, and in addition the subsidiary had a bank loan of $20,000, guaranteed by Canadian Vickers.

Canadian Car

Would you be kind enough to give me the benefit of any information in your files on Canadian Car & Foundry Co.?

Canadian Car & Foundry Co. is participating in a large share of the war business being placed in Canada. This is particularly true of aircraft manufacture. Recently it was announced that the company had received an order for 600 Hawker Hurricane fighter planes for the British Government. It is estimated that the cost of this order would be approximately $13.5 millions. As there is no official announcement the price might vary from this estimate. This large order followed a small educational order placed with the company some time ago. In addition, the company is a component of Canadian Associated Aircraft.

The company has a good volume of business on hand for construction of railway equipment.

It is probable that results for the year ended Sept. 30 will be better than the preceding fiscal year, when a net loss of $504,815 was shown. A great deal of secrecy is maintained in regard to production of war materials, and it cannot be ascertained what profit will accrue from this business. It is also apparent that the whole of current production will not be reflected in financial statements for the year.

POWER OFFICIAL

Gustave Fontaine, who has been appointed assistant treasurer of Montreal Light, Heat and Power Consold. Mr. Fontaine has come up through the ranks, having served the company for 22 years.

Fine Wool Crop Hard to Sell

Increase in Wool Prices Establishes More Normal Level

The ready and complete disposal of the current Canadian fine wool crop is presenting a problem, according to Canadian Co-operative Wool Growers. The present crop of wool in Canada is estimated at 18 million pounds, of which fine wool represents 5 million pounds and medium and coarse wool the balance.

Military demands to make uniforms, blankets and other articles have been sufficient to absorb the medium and coarse wool crop. Disposal of the fine wool crop depends upon civilian demands, however, and these have not been heavy enough yet.

Civilian business, it is felt, undoubtedly must and will develop. Purchasing power is increasing in cities and towns owing to increased industrial activity, but farm purchasing power, particularly in western Canada, still is at a low ebb. In the meantime it is purely a matter of being on the alert for sales opportunity.

May Sell in U. S.

In addition to further development of the domestic market, the possibility exists of United States demands expanding. The American market in the past has been favorable to fine Canadian wools.

Wool prices, maintained in recent months at about 60-70% above the levels prevailing immediately prior to the outbreak of war, still are regarded as being only at normal levels for peacetime. Prices still are slightly below the 1937 level. Quotations dropped sharply in 1938 and were maintained at abnormally low levels right up to the outbreak of war last fall. The rise then merely returned quotations to a more normal level.

Higher Sales For Loblaw

Outlook Good — Justin M. Cork Elected Vice-president

Sales of Loblaw Groceterias Co. were somewhat higher in the first 3½ months of current fiscal year, ending about May 31, next, as compared with the same period of 1939, J. Milton Cork, president, reported at the annual meeting. The company reported net profit of almost $1.4 million in year ended June 1, last, a substantial increase over the previous year.

The outlook is considered uncertain, but Mr. Cork believes the company should continue to enjoy good business.

Justin M. Cork was elected a vice-president. He retains the office of assistant general manager.

The company has acquired a franchise from the Hudson's Bay Co., it is learned from other sources, for the retail distribution of Birds Eye Frosted Foods. This process of quick-freezing fresh foods is new in Canada, but has met with increasing success for some years in the United States. The Hudson's Bay Co. holds Canadian rights for wholesale distribution.

Chainway Stores Continues Expansion

N. M. Davis Corp., operating Chainway Stores, is continuing its programme of expansion, it is officially reported. Business this year has been the best on record. Sales in the first seven months of the year were 75% ahead of the same period of 1939, while August business was 134% greater than Aug., 1939.

On Sept. 1 the company's head office and warehouse space was enlarged in Toronto. Three new stores have been opened in Toronto this year, bringing the total to 19. The other 16 units are operated outside of Toronto in various centres of Ontario. The company is engaged in retail distribution of variety goods.

Sterling Coal Sales Climb

Outlook Regarded Favorably — Coal Shipments Maintained

Gross sales of Sterling Coal Co. in the first six months of the fiscal year ending March 31, next, have shown an increase over the same period of 1939, The Financial Post is officially advised. Sales have held up well this September compared with the same month of last year, when the outbreak of war created heavy panic buying. Earnings per share were equal to $5.84 in year ended March 31, last.

Prospects are regarded by officials as good as a result of improvement in general business conditions in the Dominion. The company carries on a retail coal and coke trade, and also distributes gasoline and oil products.

Higher Costs

War conditions have resulted in increases in costs. The company obtains its supplies of hard coal from the United States and Wales. The latter source is inclined to be erratic, and while as much coal is not coming through as before the war, shipments are regarded as better than expected in view of shipping difficulties. As a result of increased wages in the coal mines and the higher shipping costs, Welsh coal has increased in price.

Canadian supplies, from Alberta and Nova Scotia principally, are of the soft variety. What hard supplies do not come from Wales, therefore, must be made up from United States sources. Prices of this coal are also higher in view of the adverse exchange and the new 10% import tax.

The added difficulties have been overcome by Sterling Coal, which reports higher inventories in years. The company is well equipped to handle the heavy seasonal demand which shortly will be under way.

Canada Northern Earnings Down

Net for August Drops $31,883 — Output Declines During Month

From Our Own Correspondent

MONTREAL.—Output of Canada Northern Power Corp. declined to 60.3 million k.w.h. in August from 63.5 million k.w.h. in August, 1939.

In the eight months to Aug. 31 production of energy increased to 499.3 million k.w.h. from 495.4 million k.w.h. in the same period last year.

There were 124 new customers acquired during August. Total customers serviced at the end of the month totalled 25,311 against 24,154 at Aug. 31, 1939.

Net earnings for August declined $31,883 to $192,243, and for the eight months period were down $205,463 to $1.6 million, compared with like comparative periods last year.

Operating Statement

	1940	1939
August:		
Gross earnings	402,106	435,859
Oper. expenses	209,863	211,733
Net earnings	192,243	224.126
Eight Months to Aug. 31:		
Gross earnings	3,360,967	3,468,049
Oper. expenses	1,763,254	1,664,873
Net earnings	1,597,713	1,803,176

Municipal Reports

Brantford, Ont.

Substantial reduction in net debenture debt is reported by Brantford, Ont., for 1939, as compared to the previous year. Net figure of $3.5 millions is off about $373,000 from a year previous.

A healthy surplus of over $12,000 last year compared with a deficit of over $38,000 in the previous year. Tax arrears declined.

Income and Assessment
Years Ended Dec. 31

	1939	1938
	$	$
Curr. revenue	1,738,871	1,437,218
Curr. expenditure	1,726,229	1,475,704
Taxable assess.	27,060,360	26,922,145
Exemps. not incl.	5,872,250	5,946,700
Curr. tax levy	1,338,417	1,353,365
Curr. tax arrears	244,313	246,891
Total tax arrears	489,084	534,939
Res. for tax arrears	117,270	133,735
Tax rate (mills)	46	46½
Assets and Liabilities		
Total assets	5,310,629	5,791,751
Total deb. debt	4,392,824	4,838,177
Total sinking fund	913,527	986,147
Bank loan	275,000	325,000

Windsor, Ont.

Net debenture debt for Windsor, Ont., $31.6 millions at the end of last year is down about $900,000 from a year previous. Substantial increase was shown during the year in the sinking fund, and there are no arrears.

Deficit of $254,000 is reported for 1939, compared with figure of about $422,000 in the previous year. Tax arrears showed a substantial reduction.

Income and Assessment
Years Ended Dec. 31

	1939	1938
	$	$
Curr. revenue	4,766,090	4,890,664
Curr. expenditure	4,511,644	4,467,799
Taxable assess.	94,476,620	93,423,890
Exemps. not incl.	27,162,410	26,292,760
Curr. tax levy	3,774,460	3,896,209
Curr. tax arrears	457,680	517,423
Total tax arrears	1,206,375	1,567,250
Tax rate (mills)	38½	40
Assets and Liabilities		
Total assets	32,795,598	34,414,422
Total deb. debt	32,645,714	33,084,464
Total sinking fund	1,040,496	580,368

New Westminster, B.C.

Net debenture debt of New Westminster, B.C., of slightly less than $4.8 millions at the end of 1939 is down $124,000 from the previous year. Sinking fund arrears at $1.3 million show an increase.

Deficit is down to $25,405 from $65,916 at the end of 1938. Tax arrears, however, show an increase and tax rate also.

Income and Assessment
Years Ended Dec. 31

	1939	1938
	$	$
Revenue	1,370,441	1,279,152
Expenditure	1,395,846	1,345,068
Taxable assess.	7,800,704	7,762,561
Exempt. not incl.	4,351,656	4,362,866
Total tax arrears	224,112	198,362
Curr. tax levy	623,846	582,168
Curr. tax arrears	93,064	82,861
Tax rate (mills)	70	65
Assets and Liabilities		
Total assets	11,084,511	11,186,192
Total deb debt	6,758,029	6,881,021
Total sinking fund required	3,242,893	3,066,779
Sinking fund arrears	1,266,642	1,091,510
Other liabilities	567,503	484,811

Sudbury, Ont.

Sudbury, Ont., reports net debenture debt of almost $2.3 millions at the end of 1939, up slightly from a year previous

A slight surplus was shown for the year, being about the same as in 1938. Taxable assessment jumped over $3 millions to $16.5 millions.

Income and Assessment
Years Ended Dec. 31

	1939	1938
	$	$
Curr. revenue	1,219,573	537,988
Curr. expenditure	1,218,852	537,321
Taxable assess.	16,540,078	13,361,261
Exemps. not incl.	3,137,325	2,995,565
Assets and Liabilities		
Total assets	2,912,028	2,807,381
Total deb. debt	2,282,965	2,239,254
Total sinking fund	30,434	28,086

Fredericton, N.B.

Fredericton, N.B., reports net debenture debt of $689,674 for 1939, up $170,000 from the previous year. Sinking fund showed an increase, but this was more than offset by new indebtedness.

A small surplus is reported for 1939, slightly higher than in the previous year. Tax arrears showed an increase, while property exempted from taxation jumped substantially.

Income and Assessment
Years Ended Dec. 31

	1939	1938
	$	$
Curr. revenue	366,044	358,806
Curr. expenditure	364,705	358,321
Taxable assess.	10,910,852	10,745,544
Exemps. not incl.	*5,000,000	1,500,000
Curr. tax levy	317,025	293,000
Curr. tax arrears	76,496	74,747
Total tax arrears	164,149	159,089
Tax rate (mills)	28	27.8
Assets and Liabilities		
Total assets	1,693,167	1,474,848
Total deb. debt	921,500	717,000
Total sinking fund	231,826	197,712
Other bonds guar.	208,889	......
Bank overdraft	35,811	40,474
Other liabilities	40,782	......

*Approximate.

Niagara Falls, Ont.

Total debenture debt of under $2.2 millions for Niagara Falls, Ont., at the end of 1939, is down over $200,000 from a year previous. Other liabilities also show a decline.

Surplus of about $27,000 last year compares with figure of $43,000 for the previous year. Tax arrears show a decline.

Income and Assessment
Years Ended Dec. 31

	1939	1938
	$	$
Revenue	1,216,887	1,201,296
Expenditure	1,189,143	1,158,922
Taxable assess.	18,136,834	18,295,890
Exemps. not incl.	8,771,880	8,747,530
Total tax arrears	215,477	252,794
Curr. tax levy	......	764,093
Curr. tax arrears	113,836	136,170
Tax rate (mills)	35	35½
Assets and Liabilities		
Total assets	2,825,329	3,039,082
Total deb. debt	2,157,748	2,360,911
Bank loans	nil	nil
Other liabilities	132,597	157,355

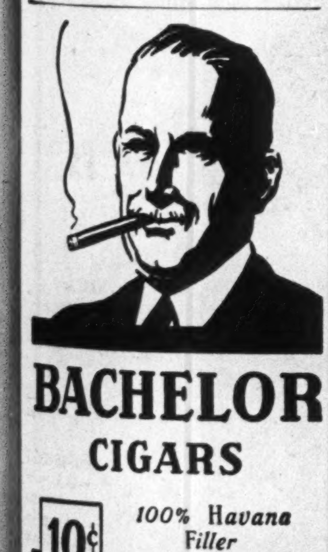
Sarnia, Ont.

Debenture debt of less than $1.3 million for Sarnia, Ont., at the end of 1939, is down about $181,000 from the previous year. Other liabilities show an increase.

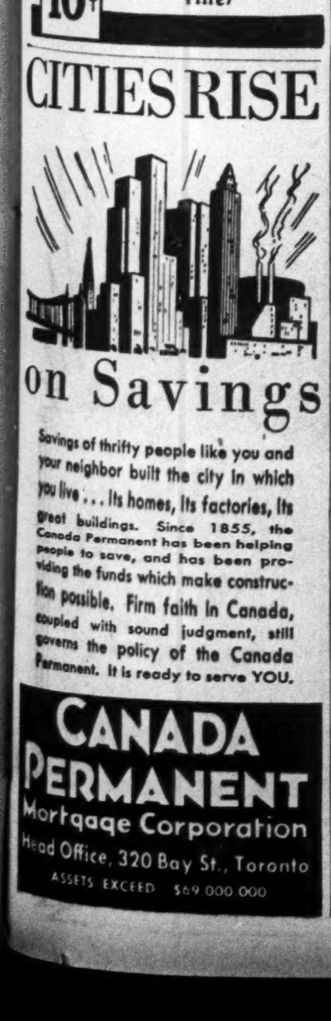
Surplus of about $14,000 compares with figure of $36,000 for the previous year. Tax arrears show a substantial decline.

Income and Assessment
Years Ended Dec. 31

	1939	1938
	$	$
Curr. revenue	944,397	945,128
Curr. expenditure	930,762	909,091
Taxable assess.	18,102,983	18,504,244
Exemps. not incl.	2,210,299	2,151,287
Curr. tax levy	652,409	688,191
Curr. tax arrears	105,566	121,643
Total tax arrears	269,500	314,376
Tax rate (mills)	34½	36½
Assets and Liabilities		
Total assets	1,831,746	2,376,035
Total deb. debt	1,250,993	1,431,614
Bank loans	3,431	1,222
Other liabilities	165,843	119,916



BACHELOR CIGARS
10¢ 100% Havana Filler



CITIES RISE on Savings

Savings of thrifty people like you and your neighbor built the city in which you live . . . Its homes, its factories, its great buildings. Since 1855, the Canada Permanent has been helping people to save, and has been providing the funds which make construction possible. Firm faith in Canada, coupled with sound judgment, still governs the policy of the Canada Permanent. It is ready to serve YOU.

CANADA PERMANENT
Mortgage Corporation
Head Office, 320 Bay St., Toronto
ASSETS EXCEED $69,000,000

Let the Seller Beware!

Under modern merchandising methods, one seldom recalls the cynical old proverb: "Let the buyer beware."

Today, the really grave risks are run by *sellers*, by Manufacturers and Wholesalers who annually ship billions of dollars of goods on credit with no security -- no assurance whatsoever of payment.

Thousands of firms minimize these appalling risks by covering their open accounts with

Credit Insurance

Then they are absolutely *sure* that they will be paid for all merchandise shipped under the terms of the policy. If customers default through insolvency or reorganize under The Companies' Creditors Arrangement Act -- 1933, policyholders receive reimbursement. If debtors fall in arrears, their delinquent accounts are liquidated. Capital is safe. Capital is kept turning.

Today, as seldom before, sellers need confidence and release from credit worries. They can be secured -- *economically* -- with a modern Credit Insurance policy. Investigate.

CANADIAN DIVISION
AMERICAN CREDIT
INDEMNITY COMPANY
OF NEW YORK . . J. F. McFADDEN, President

F. A. REID
General Agent
503 Canada Cement Bldg.
Phone: LA.3258-3259
Montreal, Quebec

T. F. McOUAT
General Agent
34 Montreal St.
Sherbrooke, Quebec

C. A. MULLEN
General Agent
The Metropolitan Bldg.
Phone: ELgin 9303
Toronto 2, Ontario

T281

CANADIAN SECURITIES

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

DOMINION SECURITIES
CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1939), $11,793,464
Capital (Fully Paid) $2,000,000 Reserve Fund, $2,400,000

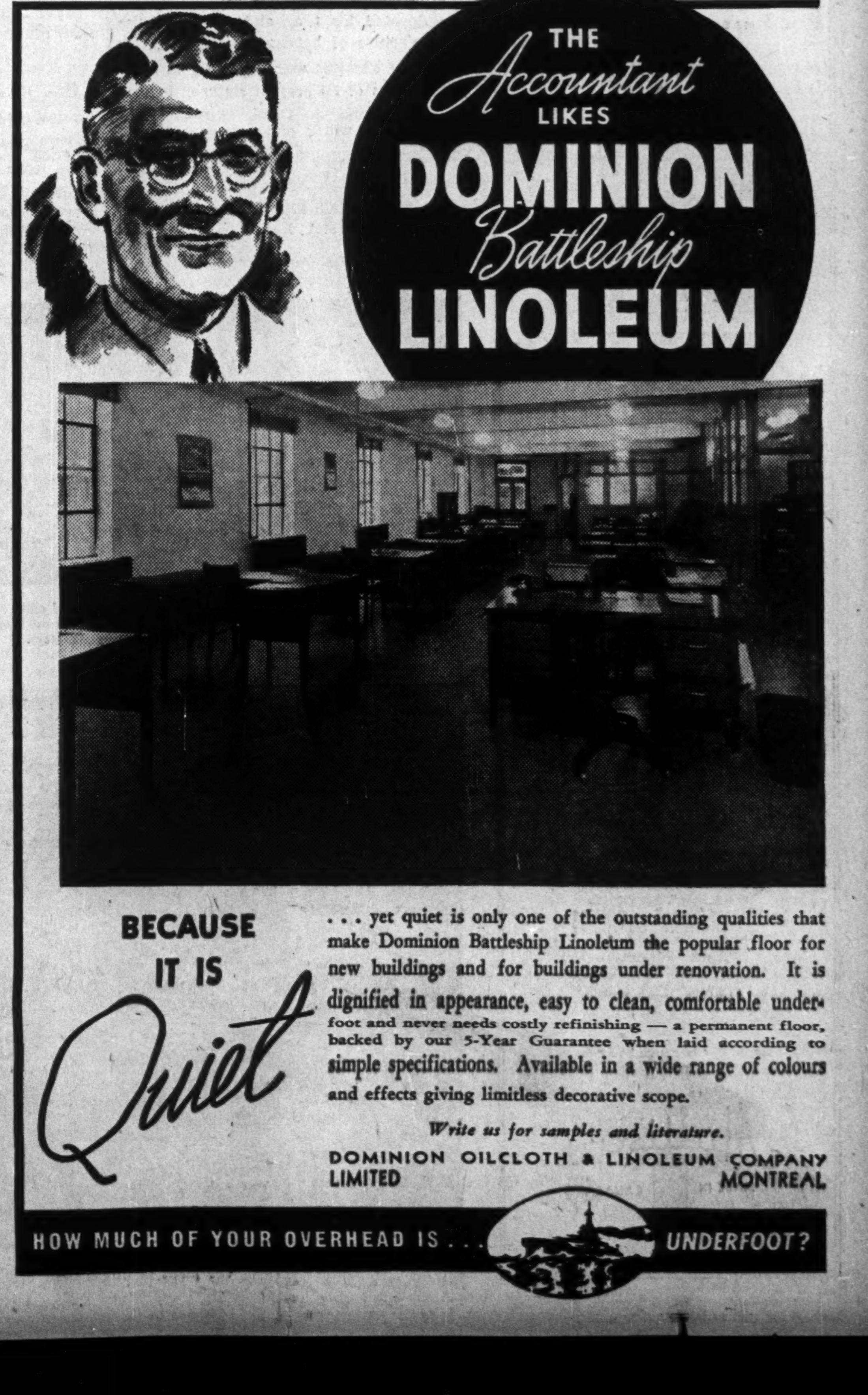
YOUR WISHES...
Our responsibility

YOUR WILL should do more than distribute your property. It should conserve your estate...protect your heirs...assure full and lasting benefits from the property you have accumulated.

Many years of experience in the administration of estates and the management of property enable our Estates Officers to be of assistance in planning your Will...and then in carrying out your wishes with efficiency and sympathetic understanding.

THE ROYAL TRUST
COMPANY

407



THE *Accountant* LIKES DOMINION *Battleship* LINOLEUM

BECAUSE IT IS *Quiet*

. . . yet quiet is only one of the outstanding qualities that make Dominion Battleship Linoleum the popular floor for new buildings and for buildings under renovation. It is dignified in appearance, easy to clean, comfortable underfoot and never needs costly refinishing — a permanent floor, backed by our 5-Year Guarantee when laid according to simple specifications. Available in a wide range of colours and effects giving limitless decorative scope.

Write us for samples and literature.

DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED MONTREAL

HOW MUCH OF YOUR OVERHEAD IS . . . UNDERFOOT?

EDDY — the name of —"a good neighbor"

From Pulpwood to Purchaser, the Evolution of Eddy Products Is a Demonstration of Applied Principles of Corporate Good Citizenship.

Branded with the Eddy "E" are the logs which come down from the far reaches of the Gatineau to the mill at Hull. It is this carefully selected pulpwood which forms the raw material for the wide range of Eddy pulp and paper products.

"T-I-M-B-E-R."

A warning cry rings out on the crisp, cold air. The woodsman's axe bites deep into the spruce . . . the tree sways . . . hesitates a moment and then crashes to the ground.

In scores of camps throughout a wide area, crews are busily engaged during the winter months in getting out the year's supply of pulpwood. Not once, but thousands of times the cry of "timber" echoes in the Gatineau timber limits of The E. B. Eddy Company Limited.

The tree becomes a log. The long journey starts. The drive down the majestic and swift-flowing Gatineau river . . . the arrival at the sorting pond . . . selection of the famous "E" branded logs for the Eddy wood-pile . . . careful handling . . . careful storage.

An Industry's Raw Material

This is the raw material of a great industry! In time it will be made into bond papers of superior quality, newsprint for the presses of Canada and the United States, tissues, bags and a score or more of other paper products which have made the name of "Eddy" a household word in Canada.

The arrival of the log at the Hull plant is but the first stage in manufacture. The logs must be chosen for quality . . . bark removed . . . knots bored out . . . ground against giant stones for mechanical pulp or reduced to chips and "cooked" for chemical pulp.

Once the logs are converted into pulp, the mixture moves forward to the beaters . . . into the wet end of the paper-making machines . . . across the Fourdrinier wires . . . through the drying end . . . and finally the gleaming paper comes out of the machines on to rolls.

The pulpwood of the Gatineau has become paper—"Cheneaux Bond," "Multiscrip" Duplicating paper and other branded papers, tissues, newsprint, towels and heavy papers for utilitarian uses. It becomes more than just paper—it is paper by Eddy, a hall-mark of quality.

The superior quality of Eddy bond and other grades of paper has not come about by mere chance. Science has played its part. Over and above all, however, is the pride of tradition—pride of craftsmanship—passed from one generation of workers to another.

Tradition and Craftsmanship

Behind tradition and craftsmanship is the faith, perseverance and the vision of the man who founded and gave his name to the enterprise that now bears his name. Ezra Butler Eddy was an individualist. He believed and followed one business precept—make a quality article and it can be sold.

Ezra Butler's belief has been amply justified. In 89 years the manufacturing facilities of what is now The E. B. Eddy Company Limited have grown from one small shack on the banks of the Ottawa River at Hull into 147 buildings with 750,000 square feet of floor space covering an area of 76 acres—a monument to a man who worked and persevered against adversity.

The E. B. Eddy Company Limited continues to reflect the integrity of its founder. Adversity sharpened his aggressiveness, gave impetus to his drive. He never looked back. He planned and built for the future, replacing destroyed and outmoded equipment with the most modern obtainable. He installed the first electric light in the Ottawa area. His was the first organization in the province of Quebec to realize the commercial possibility of the motor truck.

Spirit Overcomes Adversity

When Ezra Eddy came to Hull in 1851 he devoted his time and efforts to the manufacture of hand-made matches. By 1870 the business was beginning to show indications of its present stature. In that year the company erected the largest sawmill in the world and extensive timber limits were purchased on the upper Gatineau River.

In 1882 fire wiped out the entire enterprise. A fresh start had to be made. This was done and within four years the company embarked upon its venture into the wood pulp field. A groundwood pulp mill was built. This marked the turning point in the company's progress that was to divert its chief efforts into the paper field.

Construction of a chemical pulp mill in 1889, one of the first in the Dominion, opened an era of great expansion in paper making. Gradually other products were added. In every instance the utmost care was taken to prevent this expansion from causing any departure from the Eddy gospel of quality.

The plant's capacity was augmented by the installation of two paper-making machines in 1891 and in 1895 paper bags were manufactured.

At the turn of the century—49 years after the business was started—the organization suffered its second ordeal by fire. Two years later the paper mill was rebuilt; the largest of its kind in Canada.

Millions for Quality

Since the rebirth of the company after 1900 no major setbacks have halted its steady progress. In the last 15 years millions of dollars have been spent in new plant improvements and additions in order to take care of the expansion of business and maintain the high standard of Eddy production. A large newsprint mill was installed in 1925. An inter-plant railway system was constructed. One of the most modern water filtration plants was added in 1931 to supply the purest water available for paper making. Again in 1934 a modern pulpwood preparing plant was erected and a Chemi-pulp system installed in the sulphite mill.

In 1940 a thoroughly modern plant turns out hundreds of Eddy products.

Seven specialty machines produce 30,000 tons of high-grade bond and other papers to meet a wide variety of needs.

Other giant machines produce 50,000 tons of newsprint paper annually. The paper bag department manufactures over 200 million paper bags every year.

Men Behind the Enterprise

The Eddy enterprise is not just a mere aggregation of machines and buildings to the more than 1,200 men employed. To many of them it is the material and outward evidence of an enterprise that they, their fathers and their fathers' fathers helped to create. The same motives that inspired Ezra Butler Eddy inspire them. They work in a common cause—the conversion of the rich timber resources of the Gatineau region into quality paper products to meet the needs of a Dominion.

The company realizes that the loyalty and efficiency of its employees is one of its most valuable assets.

For their protection rigid inspection is made by a Safety First committee of potential danger spots in the plants. Every precaution is taken. Safety devices have been installed to reduce hazards. Many of the employees are trained in first aid work and there is a completely equipped first aid hospital in charge of a graduate nurse.

The protection of the worker goes even farther. There is group life insurance, as well as insurance covering accident or sickness inside or outside of the plant.

In order to give the men every opportunity for play as well as work, the company maintains a well equipped recreation hall. The Eddy Recreation Club in its various activities takes part in almost every branch of sport.

There is a mutual interest board as between employee and management; in fact the workers welfare is an integral consideration of the policy laid down by the founder.

A "Good Neighbor"

The Eddy company is a "good neighbor" in the truest sense of the meaning. Its plant operations since 1851 have been concentrated at Hull. The greater number of its employees are residents of the city. It would not be an exaggeration to say that the welfare and the fortunes of the city are linked with those of the company.

Each year the company pays out over a million dollars in wages and an equally large sum for supplies, much of which goes to employees and firms resident in the city. Then, again, as the largest taxpayer the Eddy organization has paid into the city coffers many millions of dollars over its 89 years of existence for the operation and extension of public services in the municipality.

This is the contribution of The E. B. Eddy Company Limited to the welfare of its employees and the city in which it operates. Nor does the contribution end there. Through its branch offices and agencies in all the key cities of the Dominion, the company provides and services the paper requirements of Canadian business.

The shack by the side of the Ottawa river has become an industrial city in itself — a development made possible by public recognition of the tradition and pride of craftsmanship that go into the making of Eddy quality products.

No. 21 in a series of studies in corporate citizenship appearing in The Financial Post through co-operation of leading Canadian business institutions.

EDDY PRODUCTS

CHENEAUX
MADE IN CANADA
BOND

FINE PAPERS
"Dalhousie" Bond
"Dalhousie" Ledger
"Cheneaux" Bond
"Express" Writing Manilla
"Multiscrip" Mimeograph
"Ancaster" Book
"Chatham" Book
"Wellington" Offset
"Tecumseh" Bristol
"Mohawk" Bristol
and Many Specialties

NEWSPRINT
"Eddystone"

WRAPPING PAPERS
"Samson"
No. 1 Manilla
"Kraftex"
"Invincible"
"Beaver"
"Cleaver"
"Hiawatha"

SHEATHING PAPER
"Impervious"

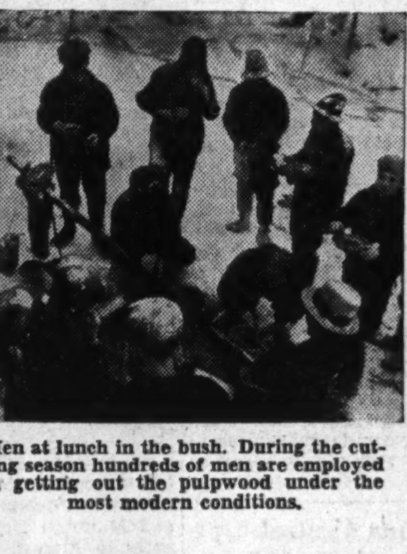
PAPER TOWELS
"Onliwon"
"White Swan"
"Han-Dee" Roll Towels
"Eddystone"
"Eureka"
"Kraftex"

TOILET TISSUE
"Onliwon"
"White Swan"
"Navy"
"Dreadnought"
"Vanity"
"White Weave"
"Nile"
"Family"
"Linen Weave"
"Cottage"
"Diamond"
"Imperial"
"Oval King"
"Crescent Oval"
"Verything"
"Western Oval"

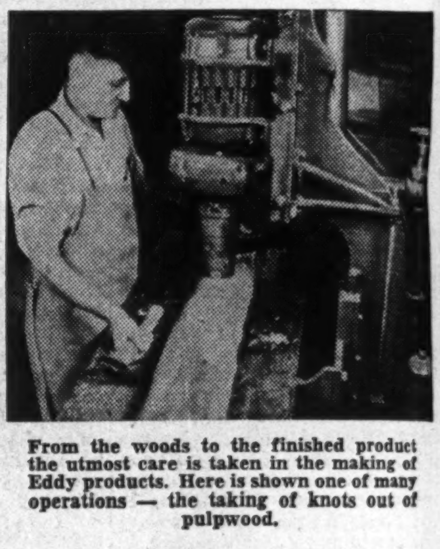
PAPER SPECIALTIES
"Onliwon" Serviettes
"Silver Swan" Serviettes
"Silver Circle" Serviettes
"Brocade" Serviettes
"Apex" Serviettes
"Maple Leaf" Tray Cloths
"Premier" Tray Cloths

BAGS
"Buckingham"
"Balmoral"
"Bedford"
"Whitehall"

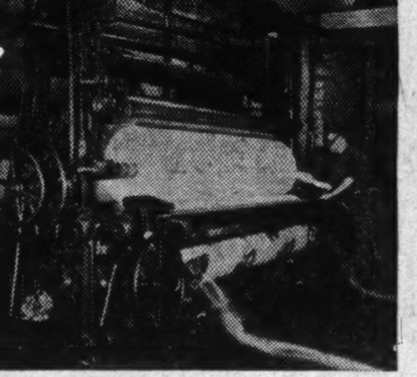
"Multiscrip"
MADE IN CANADA
MIMEOGRAPH



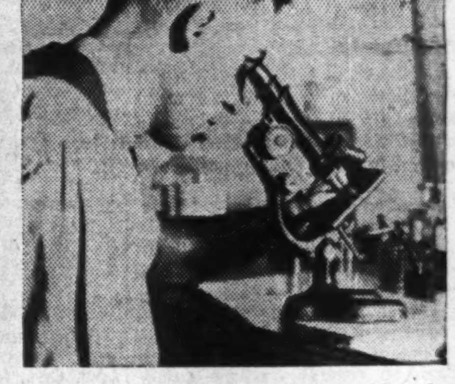
Men at lunch in the bush. During the cutting season hundreds of men are employed in getting out the pulpwood under the most modern conditions.



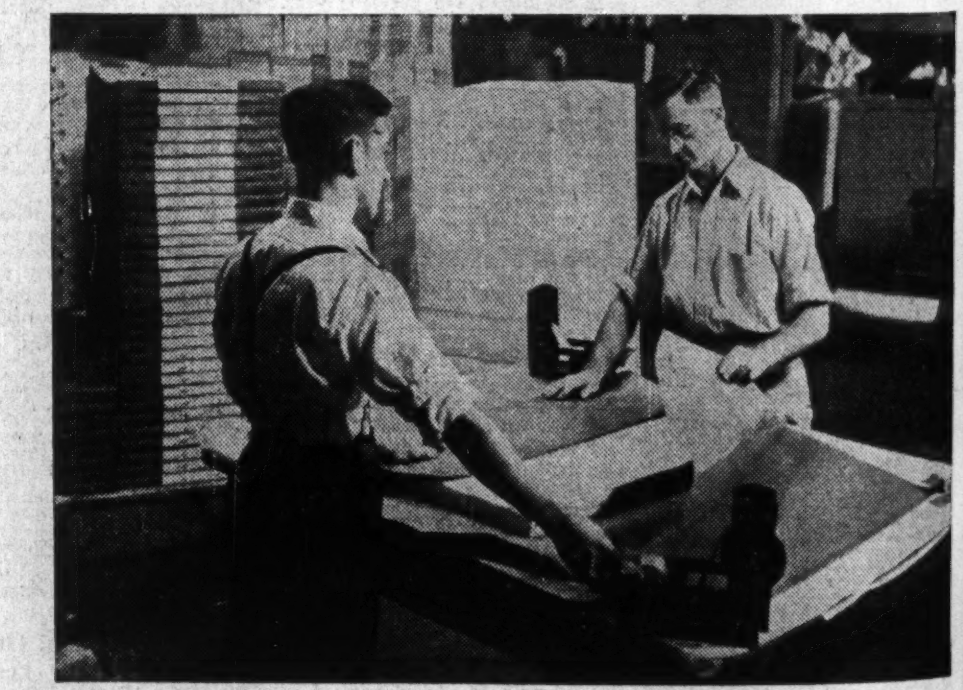
From the woods to the finished product the utmost care is taken in the making of Eddy products. Here is shown one of many operations — the taking of knots out of pulpwood.



The last stage in manufacturing. The gleaming white paper comes off the paper-making machine to be cut into rolls or sheets and for the final checking to eliminate any imperfections.

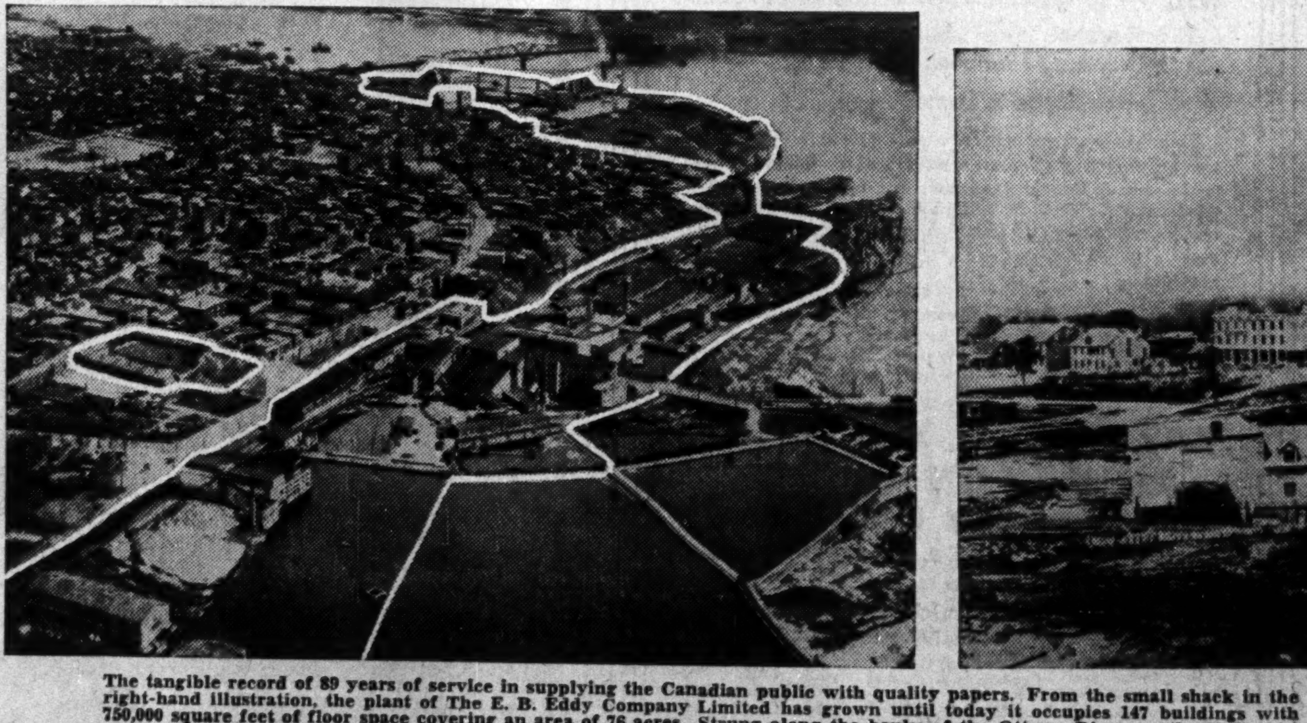


Science plays its part in the making of pulp and paper. A constant check and re-check of all phases of manufacturing is made to ensure the utmost in quality products.

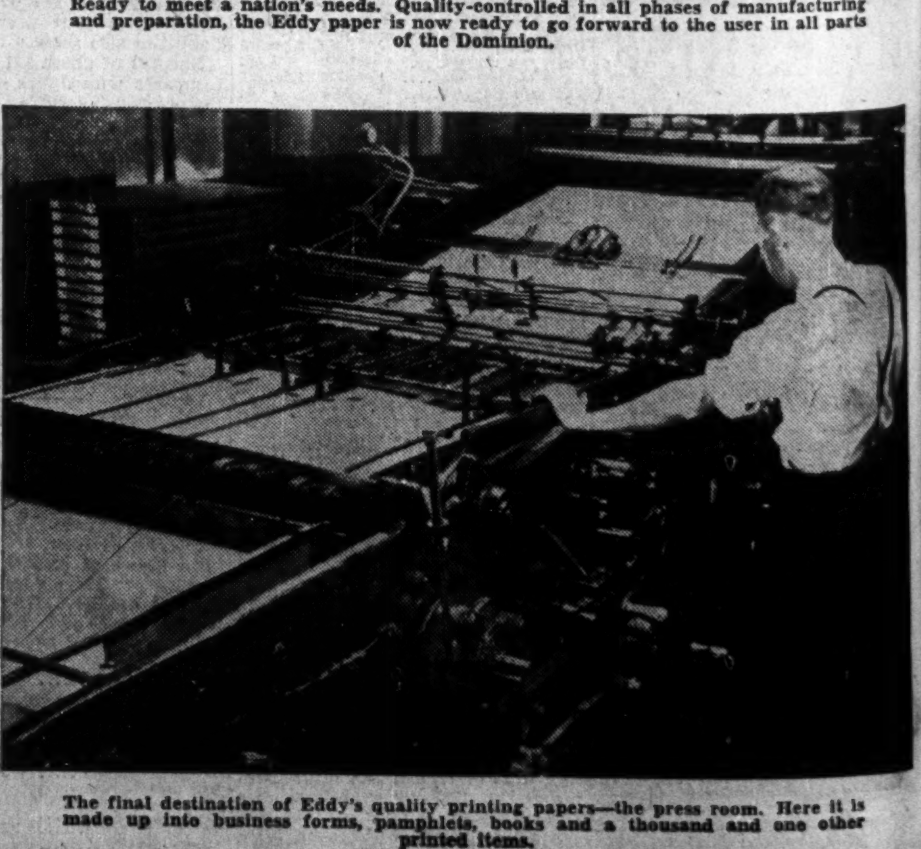


Ready to meet a nation's needs. Quality-controlled in all phases of manufacturing and preparation, the Eddy paper is now ready to go forward to the user in all parts of the Dominion.

Not all work! This photograph shows a collection of cups recently won by the Eddy Recreation Club, which sponsors an interest in a wide variety of sports among Eddy workers.



The tangible record of 89 years of service in supplying the Canadian public with quality papers. From the small shack in the right-hand illustration, the plant of The E. B. Eddy Company Limited has grown until today it occupies 147 buildings with 750,000 square feet of floor space covering an area of 76 acres. Strung along the banks of the Ottawa River on the Hull side, the plant faces Canada's Parliament buildings on the Ottawa City side of the river.



The final destination of Eddy's quality printing papers—the press room. Here it is made up into business forms, pamphlets, books and a thousand and one other printed items.

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXIV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 5, 1940 | 10c a Copy; $5.00 a Year | No. 40

Sir Norman Angell Writes On:

Hitler's Secret Weapon: How We Can Beat It

> **"Canada is now the keystone upon which depends the whole arch of democracy and freedom throughout the whole world"**

History will record many strange and mighty events of this year. Among the strangest will be this: That Canada—numerically a small nation of a dozen million souls in North America—suddenly found herself occupying a strategic position of supreme importance, in a conflict that would deeply affect the whole of mankind.

Canada abruptly became almost the keystone upon which depended the whole arch of democracy and freedom throughout the whole world. Certainly that is true in this sense: That the outcome of the struggle for those things might well be determined by what she did at the crucial turn of events.

It is no secret that in the quite recent past, isolationist tendencies within Canada have been very strong indeed. Any traveller throughout the Dominion in the years previous to this war could have heard Canadians of all parties express the view that never again would Canada mix herself up in Britain's wars in Europe. She would be neutral.

And we recall how Canada has, on various occasions, "insulated" herself against the commitments of Britain's foreign policy.

Suppose this attitude had predominated at the crucial moment, and Canada had taken the line which the Irish Free State has taken. Suppose Canada had detached herself from the British world system, dissociating herself from the line taken by Australia, New Zealand, South Africa, India, Britain herself.

Canada Stands Firm

Portentous results would have followed. Britain would have been deprived of certain vital aids in men, material and even more important in such things as training places for pilots away from the war area. These factors alone might make the difference between victory and defeat.

But in addition certain other results would have developed. If Canada had chosen "neutrality," she would have been completely dependent for security upon the Monroe Doctrine.

The Dominion would have made part of the "hemispherical" system under the Aegis of the United States. This is the course Colonel Lindbergh and other American isolationists have insisted Canada should have taken, and blamed her severely for not taking.

As a further consequence of Canadian neutrality, the United States—to which Canada would have had to look for protection—would have been a much more isolationist United States than the one we now know. For Canada, a British Dominion, to have dissociated herself from the British world system and from Britain's defenses would have enormously reinforced all the isolationist influences in the United States.

It probably would have made impossible that development of opinion and policy which we now see taking place so rapidly in that country.

The U. S. sees that not merely is Britain's fleet America's first line of defense but that Britain herself has become a base indispensable for the preservation of free government anywhere in the world. At the very least, Canadian neutrality would have greatly slowed up development of that opinion.

And, as we all know to our tragic cost, time is the essence of defense against Hitler. To be late in the strategic decisions of that struggle is to be too late.

Joint Defense

Happily the isolationist decision was not taken. Canadian policy did not result in the formation of a hemispherical system of defense, to be pursued as the alternative to co-operation with Britain. It resulted instead in a policy based on a combination of the two systems, the pan-American and the pan-British.

United States opinion has accepted the power of the British Empire, not as rival to the defensive power of the New World, but as reinforcement thereof. Canada has served as a link between the two systems. A Canadian policy of isolationism could easily have had the effect of separating the two.

The formation of the Canadian-United States Joint Defense Board, the readiness with which Britain has provided on her own territory bases for the United States Navy, are only the first indications of what we may hope will prove an increasing co-operation of the American Union and the British Commonwealth for mutual defense.

The degree of that co-operation, and the rapidity with which it develops (and speed is vital) will depend in a very special sense upon the unity and clarity of Canadian opinion. Unexpected situations will arise, new sacrifices may be asked for. If Canadian opinion boggles and becomes divided; if it begins to have doubts as to whether the game is worth the candle; if Canada becomes at outs on the one side with Britain and on the other side with the United States—there will be created just the kind of situation which Hitler knows so well how to turn to good account.

Ever since Hitler began his career he has utilized the ancient device of "Divide and Conquer" with a cunning and boldness never before seen in history. It has been indeed the basis of his whole success, and we can only hope to defeat that technique if we are alive to its character and the way he uses it.

Its foundation is the exploitation of certain common fallacies.

Ideas vs. Force

It is one of the curious facts about this tragedy that this illiterate house painter has understood the overwhelming importance of ideas, far more clearly than most of the rulers who have preceded him. So often those who make up governments, and particularly perhaps soldiers and military leaders responsible for defense, take the line: "Ideas, ideals, opinions, theories don't matter. It is only power, force, guns, planes, ships that count."

Hitler has always known that such a notion implies an almost childish confusion of thought.

When Hitler started in Germany he had no power, no army, no guns, no tanks, no planes, nothing. His party consisted of a baker's dozen of obscure agitators. How did it become the greatest party in Germany, Germany's master? By "force"? No, because he had none.

He knew that if he was to get material force, arms, to give him power over the bodies and lives of Germans, he must first of all get at their minds. He must put certain ideas in the heads of a certain number of Germans, who in their turn would put the ideas into other German heads.

This he did by working upon the people's sense of grievance, their disappointments, tempers, resentments, hates—the readiness of men to blame their misfortunes upon anything but their own failings and mistakes. He used the kind of persuasion of which he is master, demagogy of a particularly vile and mean kind.

And having by these means made his party master of Germany, he proceeded, by exactly the same technique, to make Germany master of Europe. This was a preliminary stage to making Germany master of the world.

If Hitler really believed that ideas were unimportant and only arms counted, why did he establish the greatest, the most elaborate, the most expensive machine for the dissemination and control of ideas that the world has ever seen? He knew that if you can control a man's ideas you can control his actions; that if you can determine what he shall think you can determine what he will do.

And he knew further that a relatively small but united minority, knowing what it wants, prepared to be ruthless, can dominate a much greater majority that is divided as to what it wants. A determined minority can play off one section of the majority against another, and, again, apply the principle of "Divide and Rule."

He knew that non-German Europe had immensely more power than Germany, and that if the non-German world were really united against him, he would be impotent. But he knew also that non-German Europe was not united and that he could play upon national animosities to dominate the whole.

It did not matter to him how much nations armed against him if only they did not unite against him, if only each would remain isolationist. This, alas, they were only too ready to do.

What could Norway do against him, however heavily it armed; or Denmark, or the Netherlands, or even France, as long as it did not combine with others? From the moment that each said: "We will fight for ourselves alone; only when the invader attacks us"—from that moment they were all at his mercy. He could destroy them in detail.

Isolation Fostered

One of the first tasks, therefore, of his vast propaganda machine was to sustain and inflame the idea of nationalist isolation. He said in effect to other nations: "You can arm all you like but if you make combinations you will incur my wrath." And it worked.

The Scandinavian states dared not combine, nor the Low Countries, for fear that Hitler would regard such combinations as an unfriendly act. Even when the invader was almost on the doorstep of the Low Countries they dared not take measures of defensive co-operation with others.

And, of course, their timidities, the care which they took not to offend him, their scrupulous regard for every last legalism of "neutrality," did not deter him one fraction of a second. It did not deflect his course one fraction of an inch, the moment that it became convenient for his purpose to fall upon them and destroy them.

By a mixture of propaganda and terror he had separated one nation from another in any resistance to him. He had by the same means divided each nation within itself. He did not create the disruptive and separatist tendencies he used, but he inflamed and exploited them.

Conquest From Within

Hitler indeed stated before he started the war: "Our strategy is to destroy the enemy from within, to conquer him through himself." We know by what technique of cells within every nation of the world this principle has beeen applied.

Hitler has argued, for all the world to hear if it wanted to, to this effect:

"Not only will we prevent any combination of non-German nations against us by playing upon nationalist separation and isolationism, so that we can destroy them all in detail, we will render powerless countries like France and America impotent by internal divisions.

"To render a country impotent to resist us we don't have to make the majority of its people favorable to us or for that matter any of its people. We only have to persuade a section that our triumph is a lesser evil than certain other things they fear; that, for instance, a German-dominated Europe will be less dangerous for them than a Communist Europe; that our defeat will mean the triumph of Communist Russia.

"Indeed, we do not even have to achieve that conviction, only doubts about it, creating such indecisions that steps indispensable to any effective resistance are put off, so late that finally it is impossible to take them at all and the initiative is left to us."

We have seen how all this has worked out in the case of France, and is being tried so energetically in the United States—even in some measure perhaps in the case of Canada.

Method in France

In the case of France, Hitler exploited first of all bourgeois dislike of communism and of Russia as the source of Communism. Yet he knew that he himself would be quite ready when the time came to make a bargain with Russia, and not in the least be deterred by the fears with which he managed to frighten France.

Parenthetically, the question we have to answer in respect to Russia is not which of the two systems, the Nazi or the Communist, is the more evil within their respective countries. The Communist may be the more evil and barbarous. But which is the more dangerous externally, outside those countries?

And of that there can hardly be much doubt. It is not Russian forces which have overrun the ancient civilized Atlantic democracies, using their territories as bases for attack upon Britain. Russia could never have done it.

Having prepared the ground for the separation of France and Russia he next prepared the ground for the separation of France and Britain. You know the slogans which even before the war one heard a little everywhere in France: "France is being dragged into Britain's war"; "France is being asked to pull the British chestnuts out of the fire"; "France is being used to enable Britain to keep her ill-gotten possessions"; "Britain will fight to the last Frenchman."

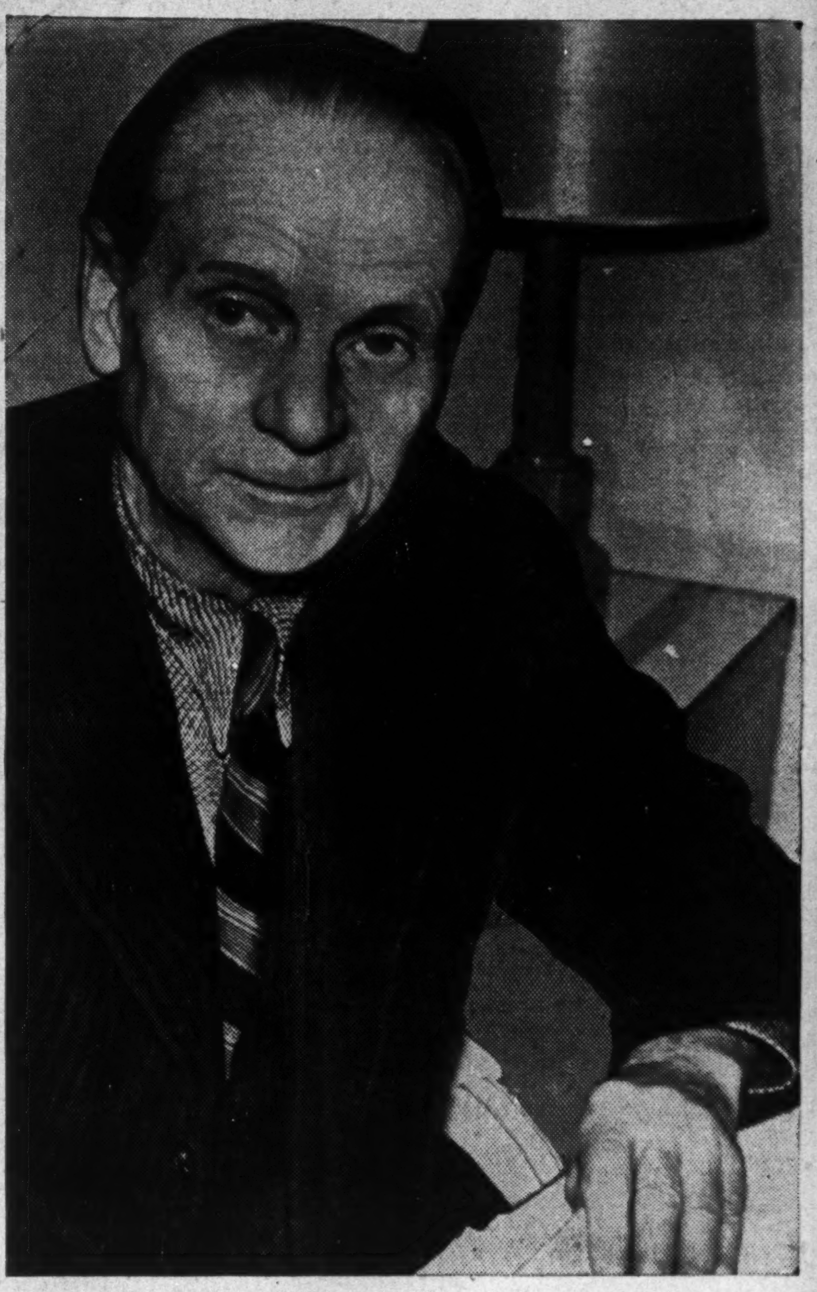
Divided Against Itself

You know also that slogans were followed up by something more active: Subversive fascist groups were subsidized with money and provided with arms. To young men from the universities was held out the prospect that if they played their cards properly they might become the governing group of France, and regenerate her, purge her of these foreign influences from across the Channel, liberate her from the Jews and financiers, the socialists and the internationalists.

And while certain of the bourgeoisie and property owners got the idea that after all a triumphant Germany would protect them from Communism, the Communists themselves were won over to alliance with Hitler. Stalin was his ally, aiding Germany's victory by refusing to support the war against her. Think of the cunning which could manage to unite on Hitler's side for the conquest of France both the French jingoes and anti-socialists of the capitalist and Catholic Right, and the equally violent and bitter anti-capitalists and anti-clericals of the French Left.

The seeds sown by German propaganda in France before the war did not grow sufficiently to prevent common action by France and Britain in 1939. But they grew sufficiently to create deep confusions, to undermine confidence, to keep

(Continued on page 14)



Sir Norman Angell

Sir Norman Angell has won world renown as an analyst of finance, business and international affairs. His journalist's gift for making such matters simple and lucid dates back to his early days when he learned the tricks of the trade in the American West. Born in England and educated in Paris, he spent his youth ranching, prospecting and finally in newspaper work in the western United States.

Returning to Europe as correspondent for American newspapers, he lived for nearly 15 years in Paris, for eight years prior to the Great War was general manager of the Paris Daily Mail. His career as an author and journalist was continued with prolific writing on war problems and conditions in post-war years.

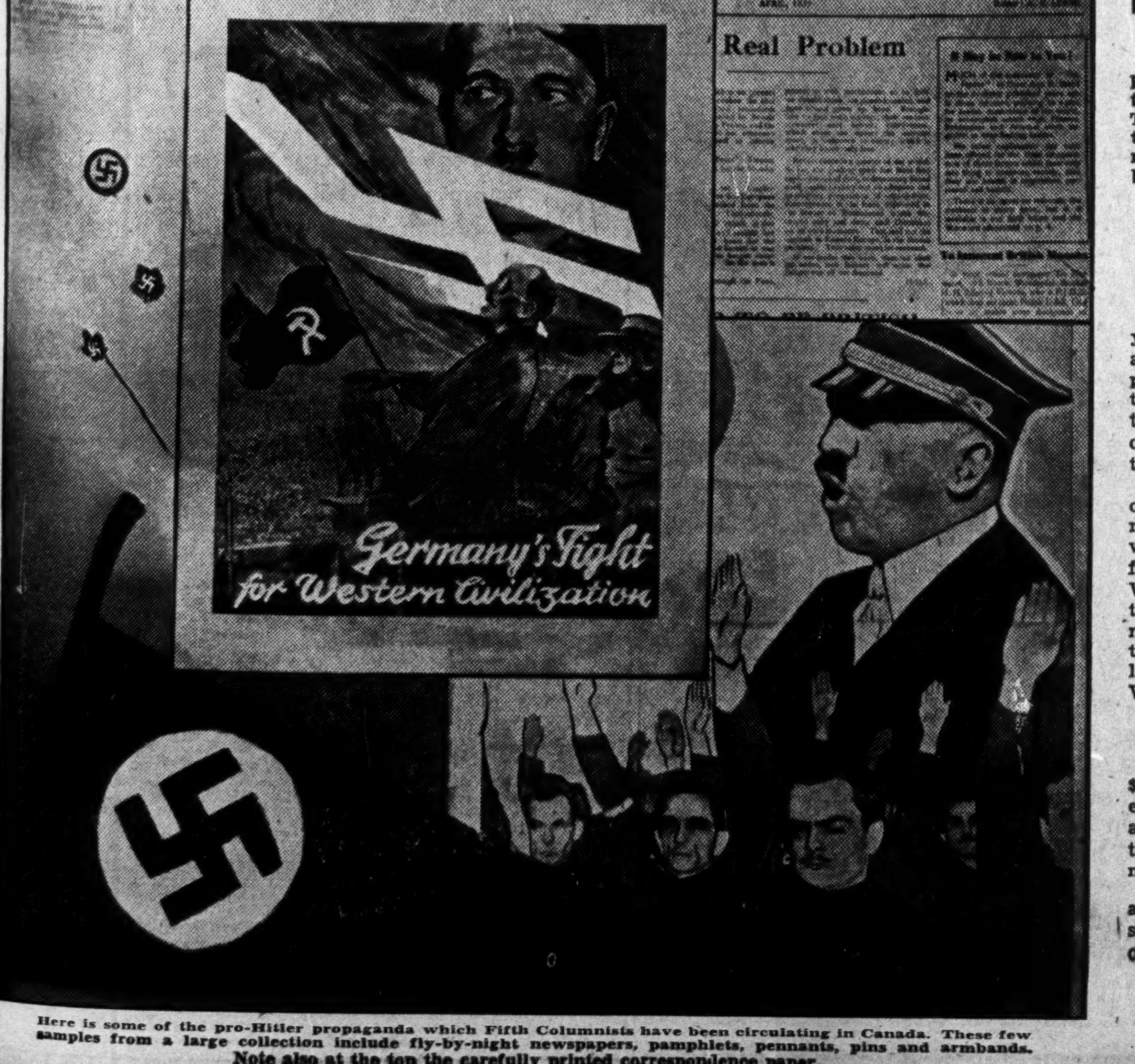
This activity led to his becoming editor of the journal Foreign Affairs from 1928-31, and sitting in the British Parliament during the same period as a Labor M.P. He was created a knight in 1931.

Known widely as a lecturer and journalist, Sir Norman has won his greatest fame as an author in the fields of economics, money and banking, foreign affairs, and international politics. His striking ability as an expositor of ideas in clear and understandable terms, won increasingly wide acclaim for the numerous volumes he has authored since the turn of the century.

His greatest triumph was "The Great Illusion," published in 1910 and partly responsible for award of the Nobel Peace Prize to him in the year 1933. "The Great Illusion" has been translated into 17 different languages, and circulated generally in a dozen or more of the principal countries of the world.

Another outstanding success was "The Money Game," the series of card games he invented to teach the principles of elementary economics, especially money and banking. Also well known is "The Money Mystery," written at the suggestion of The Financial Post and first appearing in this paper as a series of 15 articles. Later it was published and widely distributed in both book and pamphlet form.

Sir Norman is at present lecturing in the United States and will make some addresses in Canada during the winter.


EAST LONDON
BLACKSHIRT
No. 260, APRIL 1939
THURTLE CRIES
Labour M.P.'s Letter to Mosley
HECKLERS NO
TORY M.P.'s
Mosley replies:
VERBAND DEUTSCHER KRIEGSTEILNEHMER
THE FASCIST
THE ORGAN OF RACIAL FASCISM
1D.
Real Problem
Germany's Fight for Western Civilization

Here is some of the pro-Hitler propaganda which Fifth Columnists have been circulating in Canada. These few samples from a large collection include fly-by-night newspapers, pamphlets, pennants, pins and armbands. **Note also at the top the carefully printed correspondence paper.**

How Business Can Help Win the War

Canada's Finance Minister Hints Ban On Sale of Some Durable Goods

Following is the verbatim report of a public interview at the annual dinner of the Advertising and Sales Club, Toronto. The answers are those of Hon. J. L. Ilsley; the questions were put by Floyd S. Chalmers, editor, The Financial Post, but had been submitted by members of the club.

Q. If you were asked to summarize the basic elements of the Government's wartime finance policy in two or three sentences, how would you put it?

A. Our policy is to carry the pay-as-you-go programme as far as is practicable. That means that as incomes and profits increase under wartime conditions, we will take into the treasury by taxation as much of this increase as we can without retarding expansion of national income and production.

For the rest, we will rely on borrowing out of public savings. These two methods represent the fairest and most efficient way of diverting labor and resources from peacetime uses to wartime purposes. We have set our face against financing the war by inflation because that is the most unfair, the most uneconomical, and the most dangerous of all. Surely we learned that lesson during the last Great War.

Q. Could you give us some idea of what the war is costing Canada per day?

A. In August we spent almost exactly $2 millions per day on activities connected with the war. The September figures are not yet available, but I am sure that that rate of expenditure has been at least maintained and probably exceeded.

I think it only safe to say that our average daily expenditures will increase steadily and rapidly during the balance of the fiscal year.

Q. After Colonel Ralston presented his last Budget, the Government's war commitments increased by about $240 millions. He presented the figure at $700 millions and you later gave the figure at $940 millions. Have the commitments materially increased since then?

A. Our commitments have increased since Parliament adjourned, but there have also been certain offsetting factors. What actual expenditures in the field are going to be during the next few months depends on whether the war enters a new phase.

Q. Are the actual expenditures running higher or lower than the estimated figure?

A. Actual expenditures are running lower than the daily average total which you would calculate by dividing the total estimated war expenditure for the year by 365 days. But, of course, we know that there would necessarily be a steady rise in the daily rate of expenditure as the year progressed.

Q. Will there be another Budget Speech some time this fall?

A. I do not think there will be another budget speech this fall, but he is a wise man who can with confidence make any predictions for the next three months under present conditions.

Q. Have you any idea in your mind as to how high our war budget might rise? In short, what is the limit of our financial capacity to pay for the war?

A. In dollars I would not like to hazard a guess.

But I can give you an answer in general terms. With the support of the Canadian people as a whole we are committed to the maximum war effort of which this country is capable. This maximum war effort is determined by two factors. (a) Our physical capacity to produce the things that are necessary for war purposes, which capacity is in turn determined by the numbers and skill of our labor force and by our natural resources, our production facilities and the materials which we can create or purchase abroad.

(b) The willingness of our people to make sacrifices in order that the maximum amount of our labor and our material resources may be devoted to making the essentials of war rather than goods and articles for ordinary civilian consumption.

Q. The Government has put a good deal of emphasis upon the pay-as-you-go policy in war finance. Could you give us some idea as to what degree we are actually paying as we go by taxation; to what extent are we paying the war bills by borrowing; and to what extent are we paying them some other way—such as by currency inflation or by cutting down on ordinary routine expenditures?

A. If we assume that our war expenditures for the year ending March 31 next will be $900 millions, and if we assume that there had been no decrease in our ordinary routine expenditures, total Dominion expenditures for the current year would have been $1,425 millions. Had there been no increase in taxation in the two war budgets, our revenues during the current year could probably be estimated at $588 millions. This would have left a deficit of $837 millions for the year.

Now we are financing that deficit in the first place by lopping off over $77 millions from our ordinary peacetime expenditures. In the second place we have imposed new taxation which we estimated would bring in an additional $172 millions during the current fiscal year and $342 millions in a full fiscal year.

If we take into account only the smaller of these two figures, namely, the amount which will actually be paid in before March 31 next, we are left with a gap of $588 millions still to be bridged.

However, we began this fiscal year with $187 millions in the Treasury. So that, if our estimates are correct, something of the order of $400 millions would have to be raised by new borrowing during the year. This, of course, does not take account of borrowing which may be necessary for repatriation of Canadian securities from London to provide Great Britain with the Canadian dollars with which to buy foodstuffs, raw materials and munitions of war in this country.

Q. Is it possible to effect any further material savings in government expenditures not related to the war?

A. I think it will be possible to effect further savings in non-war governmental expenditures, and we shall make every effort to do so. During the last 10 days I have sent to the various departments a request for early submission of the estimates for the fiscal year 1941-1942 and the most urgent appeal has been made to them to make every possible reduction. To see that these reductions are effected will be one of my chief duties during the next few weeks and months.

Q. Should we not see a steady decrease in bills for unemployment relief?

A. I think undoubtedly we shall see a steady and drastic reduction in the bills for unemployment relief. Already this year there has been a substantial reduction in relief expenditures. In August, the number on relief was down by about 50%, and as the tempo of activity in the war industries rises, the amount that should have to be spent for relief should decline to minimum proportions if not disappear altogether. I am confident that we are rapidly

(Continued on page 14)

BRITISH TRADERS
INSURANCE COMPANY LIMITED
Established 1865
Next to "PREVENTION" Comes "PROTECTION"

HEAD OFFICE FOR CANADA, TORONTO
Colin E. Sword, Manager for Canada
Branches: MONTREAL, VANCOUVER, CALGARY, WINNIPEG

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS MUTUAL INSURANCE COMPANY
SERVICE SAVING SECURITY
[illegible] Chief Agent
Concourse Building, Toronto

The Waterloo Mutual Fire Insurance Company
Established 1863
SURPLUS
For the Protection of Policyholders
$1,600,000.00
WATERLOO'S PIONEER INSURANCE COMPANY
•
Head Office • Waterloo, Ontario

FIRE AUTOMOBILE RIOT EXPLOSION TORNADO
INLAND TRANSPORTATION
Agents Everywhere
W. B. HOUGHTON, Manager
THE LONDON & LANCASHIRE INSURANCE Co. LTD
P. L. WAYLETT, Asst. Mgr.
HEAD OFFICE FOR CANADA
4 Richmond Street East, Toronto
LAW UNION & ROCK
INSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
CANADIAN HEAD OFFICE, TORONTO
MERCANTILE
INSURANCE COMPANY
HEAD OFFICE, TORONTO
THE QUEBEC FIRE
ASSURANCE COMPANY
HEAD OFFICE, QUEBEC, P.Q.
G. H. HENDERSON, Chief Agent and Secretary
BRANCH OFFICES
Montreal, Saint John, Quebec, Winnipeg, Vancouver

THE GUARDIAN
INSURANCE COMPANY OF CANADA
Fire
Automobile
Public Liability
Accident
Sickness
Inland Transportation
Burglary (All Risks)
Sprinkler Leakage
Plate Glass
Electrical Machinery
Steam Boiler
Explosion
Guarantee
All Policies Guaranteed by Guardian Assurance Co. Ltd. of London, England
J. BLACKWELL, Manager
G. S. MURRAY, Assistant Manager
HEAD OFFICE:
Guardian Building, 240 St. James St. West, Montreal

Focus on Fire Prevention Week, Oct. 6–12

Plant Fires Could Curb War Effort

Factory Executives Urged to Guard Against Sabotage and Other Sources of Blaze

By W. L. CLAIRMONT
Dominion Fire Commissioner, Ottawa

To the most casual observer the need of fire prevention in these times must be obvious. To the country as a whole it is imperative if we are to give our utmost in our efforts to help Britain win the war.

This is particularly true with regard to our industrial plants. As the Right Hon. Winston Churchill has so aptly expressed it: "The front line runs through the factories, the workmen are soldiers, with different weapons but the same courage." The enemy must not be allowed to break through that line as he did at Sedan in the disastrous Battle of France.

In line with the high-pressure type of propaganda being used by the enemy today the saboteur is quick to make use of the indifference which many Canadians display toward the most simple principles of fire prevention. In this way many fires can be made to look accidental.

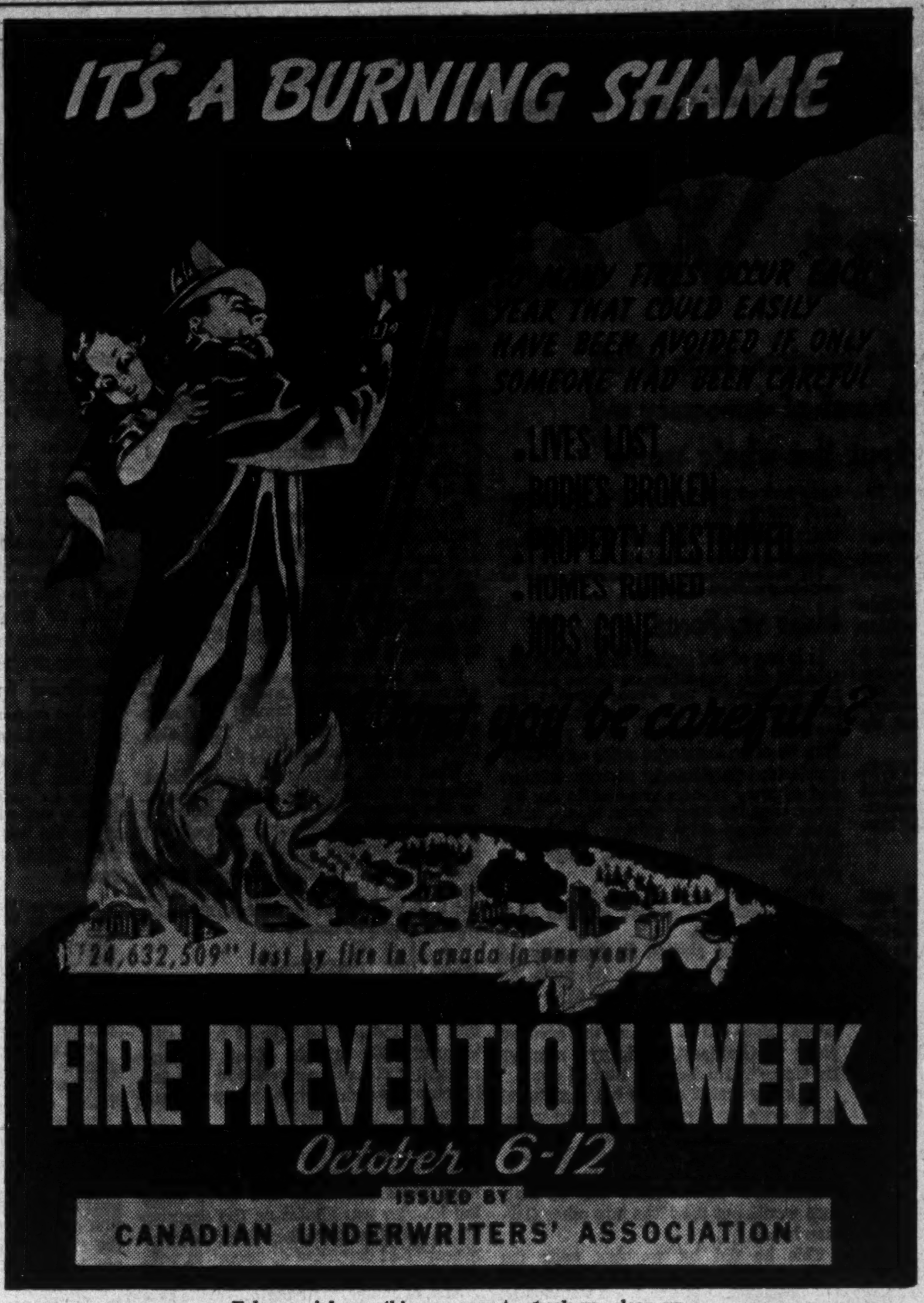
Plant managers and superintendents can, therefore, meet this threat by strict observance of fire regulations. Chief among these is good housekeeping.

There is no better breeder of fire than an accumulation of rubbish, waste materials and oily rags. Such accumulations should be cleaned up and removed daily; in fact, twice a day when necessary. Surreptitious smoking by employees is another prevalent cause of fires in factories. The shop workers no doubt feel that they have as much right to smoke as the office men and when they can't do it openly, they do it on the sly, with the result that quite often their matches and cigarette stubs find a resting place in dangerous spots. Either a safe place should be provided for the employees to smoke or the no smoking rule should be rigidly enforced.

A surprisingly large number of fires in factories are due to defective electrical appliances or overloading of the circuits. This is no doubt a result of the speeding up of our industrial output with a consequent lack of time properly to supervise the electrical wiring, motors and other electrical appliances. If our factories are to maintain production, it is essential that defects in the electrical system be discovered before they cause fires.

Heating equipment, too, should be examined frequently, for it has been found that defective furnaces, boilers, flues, cupolas and stacks were the cause of many of our factory fires during the past year.

In scores of plants today manufacturing processes are inherently hazardous. Too much care cannot be given to see that such hazards are reduced to the minimum. Most factories have some form of fire protection, in some cases quite elaborate, while in others nothing more than a few extinguishers. Such equipment is, however, of little use unless properly maintained, and useless too unless at least a few key men are instructed in their operation.


IT'S A BURNING SHAME
SO MANY FIRES OCCUR EACH YEAR THAT COULD EASILY HAVE BEEN AVOIDED IF ONLY SOMEONE HAD BEEN CAREFUL
LIVES LOST
BODIES BROKEN
PROPERTY DESTROYED
HOMES RUINED
JOBS GONE
you be careful?
"24,632,509" lost by fire in Canada in one year
FIRE PREVENTION WEEK
October 6-12
ISSUED BY
CANADIAN UNDERWRITERS' ASSOCIATION

Take special care this war year to check up, clean up.

Cow's Kick Sets Prevention Week

It was on Oct. 9, 1871, that Mrs. O'Leary's world-renowned cow kicked over the lantern that set fire to the stable and started the great Chicago fire in which 200 people perished, 100,000 were made homeless and over 18,000 houses destroyed in an area of about 2,000 acres.

Accordingly fire prevention week on the North American continent always comes in the week which contains the date of the great catastrophe.

Halt the Sabotage Of Our War Effort

October 6 to 12 has been set aside this year as Fire Prevention Week in Canada.

The object, as usual, is to focus attention on the necessity of doing everything humanly possible to prevent destruction of life and property by fire.

With Canada at war, the occasion offers a special challenge to every citizen.

Modern war is total war. It is fought with the entire economic resources of a country just as much as with shells and airplanes. It is fought on the farms and in the factories of the country. The nation's capacity to produce munitions of war will be the decisive factor in the conflict.

Anything that weakens this capacity is as much a loss as the capture of a position by the enemy.

Like sabotage, fire is a destructive agent which may seriously curtail production. Accordingly, patriotism demands that everyone guard aginst fire as we would against sabotage and treason.

It does not matter whether a fire in a munitions plant, airplane factory, or flour mill is caused by a Nazi bomb or a match carelessly thrown into a pile of rubbish. A halt in production is a blow at Canada's war effort and a score for Hitler.

The accidental fire does just exactly what Nazi airmen are doing by dropping incendiary bombs on London.

Canadian property destroyed by fire in 1939 was worth $24 6 millions. This is a per capita loss of $2.18 compared with 28 cents in Italy and 16 cents in Germany, according to the latest figures available.

Reduction of the fire loss will put the Dominion on more even terms.

Fire prevention in the coming months therefore is more than a necessity of good business. It is an important factor in the struggle for self preservation.

Clean premises, adequate fire fighting equipment and constant vigilance by employer, employee and householder against fire are all elements in Canada's war effort.

Saskatchewan's Fire Loss Is Lowest Per Capita

Saskatchewan leads all Canadian provinces in low fire losses per capita, according to the figures for both 1939 and the five-year average.

Last year her per capita loss was 76 cents, 34 cents below that of her nearest competitor, Manitoba, at $1.10. For the last five years Saskatchewan's average was 96 cents and Manitoba's $1.28.

Comparative figures for all provinces follow:

Prov.	Total 1939 $	Per capita 1939 $	5-yr. aver. $	Per capita 5-yr. aver. $
Alta.	1,148,364	1.46	1,245,011	1.60
B. C.	1,705,610	2.20	2,002,228	2.65
Man.	800,300	1.10	926,540	1.28
N. B.	1,210,209	2.69	971,290	2.21
N. S.	1,658,154	2.99	1,382,343	2.55
Ont.	7,922,402	2.11	8,297,289	2.24
P. E. I.	136,801	1.44	178,214	1.92
Que.	9,333,500	2.91	7,686,966	2.45
Sask	717,169	0.76	909,018	0.96
Total	24,632,509	2.18	23,609,750	2.12

Watch That Cigarette! It's Fire's Best Friend

Watch that cigarette!

If you drop it or throw it away carelessly you may start a fire that will do as much damage as half a dozen well-placed bombs.

Statistics of recent years show that smokers' carelessness is responsible for more than one out of every four fires in Canada.

In 1939 thoughtless smokers had the distinction of causing the greatest property loss from any single hazard in Canada.

They started 13,785 fires out of a total of 45,755 or about 30% and caused a total property loss of $2.1 millions, exceeding that due to such commonly thought of hazards as stove and furnace fires, defective and overheated chimneys and flues, electrical wiring and appliances, fireworks, etc.

The growth in smoker's fires is attributed mainly to the increased number of smokers among both sexes and to the extent to which cigarettes have displaced pipes and cigars among men.

Stove and furnace fires ranked second in 1939, numbering 4,959 and causing a property loss of $1.9 millions. Defective and overheated chimneys came next with 4,175 fires and a property loss of $1.7 millions.

Electric wiring and appliances were responsible for 2,622 fires and destruction of property worth $1.3 millions. Many of these fires are caused by irons or toasters left burning. Sometimes wiring from which the insulating materials has been worn off is responsible as well as knotted electric cords.

Hot ashes and open fireplaces, while causing 2,742 fires only destroyed property worth $328,806.

Origin of Fires in Canada, 1939

Causes Reported	Number of Fires	Property Loss
Smokers' carelessness	13,785	$ 2,135,069
Stoves, furnaces, boilers and smoke pipes	4,959	1,953,748
Defective and overheated chimneys and flues	4,175	1,702,202
Hot ashes, coals, open fires	2,742	328,806
Electrical wiring and appliances	2,622	1,371,211
Miscellaneous known causes (explosions, fireworks, friction, hot grease or metal, steam and hot water pipes, etc.)	2,492	727,070
Sparks on roofs	1,421	432,929
Lightning—		
(a) Buildings rodded	16	10,492
(b) Buildings not rodded	1,213	453,714
Matches	1,171	230,354
Lights, other than electric	1,141	209,042
Petroleum and its products	1,068	572,660
Exposure to adjacent building fires	905	969,232
Spontaneous ignition	398	629,292
Incendiarism	276	577,520
Losses under supplemental contracts	66	19,209
Motion picture film ignition	6	1,672
Unknown	7,299	12,308,287
Total	45,755	24,632,509

Handbook Outlines Modern Roofing

Information and specifications for built-up roofs, including detailed instructions for roof insulation, waterproofing flashings and roof drains, have been published by Alexander Murray & Co., Montreal, in a book of 84 pages.

In the foreword it is pointed out that the measure of economy in roofing is the ultimate cost over a period of years rather than the initial expenditure.

Replete with illustrations, photographs of Murray roofs on government, industrial and office buildings throughout Canada, pictures showing men at work on the various types of Murray roofs, detailed instruction drawings showing every phase of the work, the publication constitutes a handbook on the modern technique of roof building.

Alexander Murray & Co. is a constituent company of the Dominion Tar and Chemical Company group.

More Fire Insurance Sold And Premiums Lower

Increased trade and industrial activity is bringing a larger volume of business to the fire insurance companies. Value of property insured and the number of risks carried it is understood are higher. But the lower rates being charged right across the country will probably prevent total premium income showing the increase that normally might be expected, insurance men say.

Higher Property Value

Factors tending to increase the value of property insured include:

Larger stocks of raw materials carried by manufacturers of both war and peacetime supplies.

Heavier inventories carried by wholesale and retail merchants.

Higher prices of goods and commodities.

Higher valuation of buildings and plants due to increased cost of replacement.

In some of these, however, the effect of the war has not been as great as had been anticipated. For instance, price controls have prevented values of certain commodities especially food products from advancing as some had looked for. Then too it is believed the close financing arrangements between the Government and manufacturers in certain classes of contracts have made it unnecessary for the latter to carry insurance.

Insurance men, however, estimate the value of industrial buildings to be up about 10%.

Rates Generally Down

Rates have been lower in every province, ranging from about 10% in eastern Canada to as much as 25% in some of the western provinces. These reduced rates are due to the lower loss ratios shown in recent years.

These smaller losses are ascribed to three main factors:

Better buildings.

Better fire prevention and fire fighting appliances.

Better care by the public.

On the other hand it is emphasized that relaxation of any of the precauitons against fire might, at any time, result in a conflagration and put the fire loss for any one year far above anything reached in recent years.

Consequently the need of insurance cover for the average businessman or householder is as great as ever. By keeping the loss down through using every fire prevention means available he can also hold down the cost of his insurance.

Our 'MUTUAL' Plan
Reduces FIRE INSURANCE Costs

LAST year this company's policyholders received $1.531.487 in savings under the Northwestern Mutual plan. Careful selection and inspection of risks, co-operation in fire prevention and efficient management combine to reduce overhead costs to a minimum. You, too, should be participating in these benefits.

HOW THE NORTHWESTERN MUTUAL PLAN OPERATES.
PREMIUM
NET COST | SAVINGS
(Above charts are approximate. Consult your nearest agent or branch office for rates and current savings)

APPLICATIONS FOR AGENCIES INVITED
NORTHWESTERN MUTUAL FIRE ASSOCIATION
Assets: $8,970,000
Canadian Head Office: Vancouver

PROTECTION
against losses arising from the hazards of property destruction

Intelligently selected insurance will guard against loss, not only of PROPERTY VALUES but also of EARNINGS, following damage to property . . . through Business Interruption, loss of Rental Income or Rental Value, cancellation of Orders for Merchandise, loss of Profits, loss of Accounts Receivable Records, additional expense of maintaining Services and Goodwill, etc. The value of the protection afforded by the policies of this Company has been demonstrated many times in the past 86 years.

Investigate our possibilities. Insurance Analysis Service given without obligation.

THE PHOENIX INSURANCE COMPANY OF HARTFORD
Canadian Offices:
485 McGill Street, Montreal
10 Adelaide St. East, Toronto 218 Portage Avenue, Winnipeg

ATLAS
ASSURANCE COMPANY, LIMITED
OF LONDON, ENGLAND
ESTABLISHED 1808
Application For Agencies Desired
GENERAL AGENTS
Osler, Hammond & Nanton, Ltd., Winnipeg, Man.
Frank R. & Geo. E. Fairweather Ltd., St. John, N.B.
W. R. MacInnes & Co., Halifax, N.S.
Hyndman & Co. Ltd., Charlottetown, P.E.I.
British Columbia Branch—VANCOUVER
H. B. LEUTY, Provincial Manager
HEAD OFFICE FOR CANADA
414 ST. JAMES ST., MONTREAL, P.Q.
C. E. SANDERS, Manager
Fire—Use and Occupation—Rent—Public Liability—Accident—Plate Glass—Automobile—Burglary—Inland Transportation.

When you seek
PROTECTION

Fire comes to many and never reveals who it will visit next. Against this unwelcome visitor you set up safeguards with care and thoughtful planning. But what about your insurance?

Fire insurance should be adequate and should not have in it needless gaps through which disaster might strike. It should be placed with a strong, reputable company.

At your request, your nearest Commercial Union Group Agent will gladly look into your insurance requirements and draw up a plan best suited to your needs.

COMMERCIAL UNION AND ASSOCIATED COMPANIES
Commercial Union Assurance Company, Ltd.
Union Assurance Society Ltd. of London
The Palatine Insurance Company, Ltd.
The California Insurance Company
American Central Insurance Company
The Canada Accident and Fire Assurance Co.
The North West Fire Insurance Company
The British General Insurance Company Ltd.
The Commercial Union Fire Insurance Company
The British & European Insurance Company Ltd.
The Ocean Accident and Guarantee Corporation Ltd.
Head Office for Canada
388 St. James Street West, Montreal
Branches and General Agents at
HALIFAX — SAINT JOHN — TORONTO — WINNIPEG — CALGARY — VANCOUVER
FIRE CASUALTY AUTOMOBILE

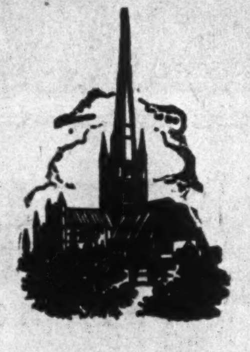
OWNED AND CONTROLLED BY CANADIANS

THE GORE DISTRICT MUTUAL
FIRE INSURANCE COMPANY
HEAD OFFICE: GALT, ONTARIO
ESTABLISHED 1839
FIRE AND AUTOMOBILE INSURANCE
Licensed in Manitoba, Saskatchewan, British Columbia, Ontario, Alberta

"Fortify for Fire Fighting"

The Man Who Knows
that the soda and acid type of fire extinguisher is accepted as emergency apparatus installs a GUARDENE in schools, hospitals and all public buildings. One of six types made by Pyrene and approved by the Underwriters' Laboratories. Ask your insurance man.

81 EAST DON ROADWAY
TORONTO



After the Fire You'll Be Glad You're Insured in the—

NORWICH UNION
FIRE INSURANCE SOCIETY, LTD.
ESTABLISHED 1797
HEAD OFFICE FOR CANADA, TORONTO.
E. M. WHITLEY, General Manager for Canada.
F. W. LAMONT, Asst. Mgr. C. C. PAULL, Asst. Mgr.

North British & Mercantile
Insurance Company Limited
Estd. 1809

Railway Passengers Assurance Company
The Occidental Fire Insurance Company

FIRE, AUTO AND CASUALTY INSURANCE

Branches:
Toronto Winnipeg Regina Edmonton Vancouver

EDGAR J. KAY
Manager for Canada and Newfoundland
Asst. Manager—A. Campbell

Canadian Head Office
460 St. Francois Xavier, MONTREAL

Investments in Canada as at 31st December, 1939, exceeded $8,000,000.00.

PROTECTION
in every direction
from
ONE
organization

FIRE—Policies progressive and broad in scope anticipating practically all the needs for indemnity from loss occasioned by the ravages of Fire, Wind, Explosion, Loss of Profits and/or Rents.

AUTOMOBILE—Policies providing indemnity for increased financial burdens imposed and assumed by ALL motorists alike, whether as Owner, Driver, Garage or Service Station Operator.

MARINE—Policies designed to indemnify for transportation incidents of loss to goods while being water borne or land conveyed; in addition a multiplicity of broad forms of Personal Property, Fur, Jewelry, Bailees Liability Floaters and Registered Mail.

CASUALTY—Policies viewing a wide range of contingencies to be financially guarded against, such as Accidents, Burglary, General Liability, Health, Plate Glass and Surety, all attuned to present day needs.

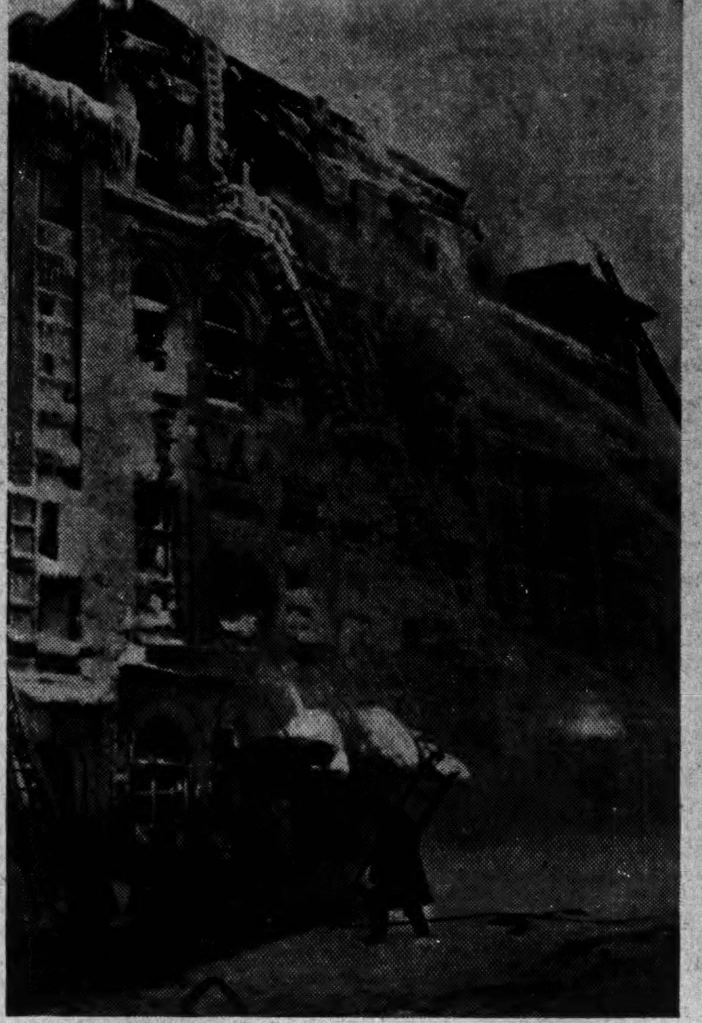
We cordially invite your agent or broker to discuss your insurance problems with us.

Great American Insurance Co.
Rochester Underwriters Agency

Great American
and Associated
Insurance Companies
New York

American Alliance Insurance Co.
Great American Indemnity Co.

HEAD OFFICE FOR CANADA: 465 ST. JOHN STREET, MONTREAL
Toronto Winnipeg Vancouver



With Canada at war, Fire Prevention Week this year takes on added importance. Need for utmost in industrial output and for conservation of resources, puts fires in a class with sabotage as a destructive agent.

Factory fires in Canada, many of which are usually due to defective electric apparatus or inadequate wiring, have shown a gratifying decrease in the past year.

These Had Lowest Fire Loss

Medicine Hat and Forest Hill Top Record—Stratford, Regina Follow

To Medicine Hat, Alta., and Forest Hill Village, Ont., go the honors of being the most fire-free of the larger municipalities in Canada, in 1939. In the record of fire losses for the year in municipalities with a population of 10,000 or over, these two are tied for first place with a per capita loss of 11 cents each.

This is slightly better than the 13 cent record set by Trail, B.C., in 1938 and the best for any municipalities of this size since 1935 when Galt established a mark of 9 cents per capita.

Stratford, Ont., took second place in 1939 with a loss of 17 cents per capita. Regina was third with 19 cents.

Other municipalities with a low loss record included: Lethbridge, Alta., with 21 cents, York Township, Ont., 24 cents; East York Township, 29 cents, and Prince Albert 36 cents.

The heaviest fire loss per capita was $15.55 at Fredericton, N.B., which jumped from $3.73 the year before. Other large per capita losses included St. Jean, Que., $14.69, and Joliette, Que., $14.47.

Total losses in municipalities with 10,000 or more population were $7.8 millions equal to $1.61 per capita against $9.2 millions and $1.90 per capita in 1938.

Fire Losses in Municipalities Where Population Exceeds 10,000

	Total property loss 1939	Loss per capita 1939	Loss per capita 1938
Ontario—			
Belleville	50,974	3.47	5.53
Brantford	22,196	0.70	1.41
Chatham	74,554	4.52	1.25
Cornwall	19,141	1.41	0.32
East York Township	11,155	0.29	0.19
Etobicoke Township	4,975	0.39	...
Forest Hill Village	1,321	0.11	0.74
Fort William	62,751	2.48	5.18
Galt	13,800	0.96	0.31
Guelph	47,912	2.20	2.13
Hamilton	271,065	1.75	1.44
Kingston	110,351	4.53	0.57
Kirkland Lake	24,966	1.04	0.84
Kitchener	35,409	1.07	1.82
London	83,822	1.10	0.94
Niagara Falls	52,665	2.79	1.09
North Bay	22,982	1.41	1.34
Oshawa	20,626	0.83	0.37
Ottawa	244,312	1.66	3.08
Owen Sound	119,066	8.89	0.79
Pembroke	14,084	1.34	0.51
Peterborough	32,650	1.35	0.88
Port Arthur	27,344	1.26	0.40
St. Catharines	18,142	0.65	4.22
St. Thomas	7,559	0.44	0.99
Sarnia	13,320	0.74	2.00
Sault Ste. Marie	65,158	2.68	0.87
Scarboro Township	21,916	0.94	3.50
Stratford	2,854	0.17	0.68
Sudbury	33,955	1.13	0.52
Timmins	88,680	3.17	7.24
Toronto	1,010,084	1.56	2.36
Welland	7,158	0.65	0.88
Windsor	164,595	1.60	0.86
Woodstock	6,425	0.56	0.20
York Township	18,344	0.24	0.40
Quebec—			
Cap de la Madeleine	6,850	0.62	0.62
Chicoutimi	22,229	1.48	1.04
Drummondville	5,480	0.55	2.14
Granby	42,018	3.11	7.12
Hull	25,983	0.85	2.55
Joliette	188,057	14.47	3.34
Jonquière	29,256	2.25	3.25
Lachine	101,188	5.15	0.66
La Tuque	7,462	0.75	5.04
Lévis	33,550	3.05	0.71
Montreal	1,126,910	0.88	1.26
Outremont	51,645	1.72	2.11
Québec	551,441	3.63	2.81
St. Hyacinthe	10,350	0.58	1.13
St. Jean	197,100	14.60	1.50
St. Jérôme	11,242	1.08	2.65
Shawinigan Falls	33,343	1.84	0.61
Sherbrooke	91,861	2.75	4.49
Sorel	41,925	3.49	0.27
Thetford Mines	4,605	0.41	1.21
Three Rivers	15,560	0.35	0.77
Valleyfield	26,619	2.02	14.69
Verdun	49,689	0.77	1.07
Westmount	64,853	2.49	1.61
Manitoba—			
Brandon	9,912	0.60	0.60
St. Boniface	19,717	1.16	2.37
Winnipeg	256,357	1.15	1.37
Saskatchewan—			
Moose Jaw	31,782	1.59	0.71
Prince Albert	3,924	0.36	0.17
Regina	10,515	0.19	1.13
Saskatoon	75,137	1.80	0.29
Alberta—			
Calgary	66,181	0.76	2.34
Edmonton	141,435	1.56	1.47
Lethbridge	3,419	0.21	0.54
Medicine Hat	1,063	0.11	3.98
British Columbia—			
New Westminster	104,872	4.77	0.98
North Vancouver	5,548	0.38	0.44
Trail	5,206	0.43	0.13
Vancouver	409,226	1.52	3.77
Victoria	68,072	1.74	0.60
Nova Scotia—			
Dartmouth	17,392	1.45	1.01
Glace Bay	39,892	1.60	1.48
Halifax	454,646	6.99	2.64
Sydney	136,536	5.46	7.02
Truro	4,273	0.43	1.28
New Brunswick—			
Fredericton	157,642	15.55	3.73
Moncton	131,468	6.39	3.61
Saint John	114,074	2.40	2.20
Prince Edward Island—			
Charlottetown	28,000	2.15	3.23
Charlottetown	28,000	2.15	3.23

Fire Stopping Urged In New Buildings

The many new buildings and extensions to old ones being erected for war purposes focus attention on the need of proper methods of construction to reduce the fire hazard.

Many of the new buildings being erected are of frame construction. Some of the older ones were designed at a time when less attention was given to fire prevention methods of building than now.

Whether a building be used as a barracks for soldiers, warehouse or factory, however, there are certain general principles that can be followed fairly easily at time of construction or renovation. All fires are small at the beginning and if they can be localized, the loss of life and property is minimized.

Two Main Policies

J. E. Ritchie, fire prevention engineer of the Ontario Fire Marshal's Department, lays down two main policies to be followed in construction to lessen the fire hazard. These are:

1, The use of fire resisting materials.
2. Fire resistive design.

In a great many cases, he says, buildings which are veritable fire traps and which would in a short time become ignited if exposed to flames or excessive heat could be made comparatively safe with very little expenditure.

Proper fire stops in walls and partitions and between joists would in all likelihood, he believes, confine the fire to the section where it originated until it could be successfully dealt with by the fire department.

By fire stops are meant devices such as wire glass in windows or doors which would not break wide open as would ordinary glass allowing a draft to carry the fire through.

Proper fire doors between rooms and departments which will close when the temperature rises to a certain temperature.

Coating of partitions with fire resistant paint or some other covering which will resist fire.

Efficiency Established

The importance of fire stopping in all buildings and particularly those of frame construction, for the purpose of retarding the progress of fire is an established fact. Most fires are of interior origin and therefore suggest the need of checking the fire at the start from inside.

The principle to be kept in mind, according to Mr. Ritchie, is that of closing all vertical openings between studs, and all horizontal openings between joists for the purpose of preventing the rapid circulation of fire by draft. It has been the experience of fire chiefs that the spread of fire in frame buildings is due largely to the lack of proper fire stopping.

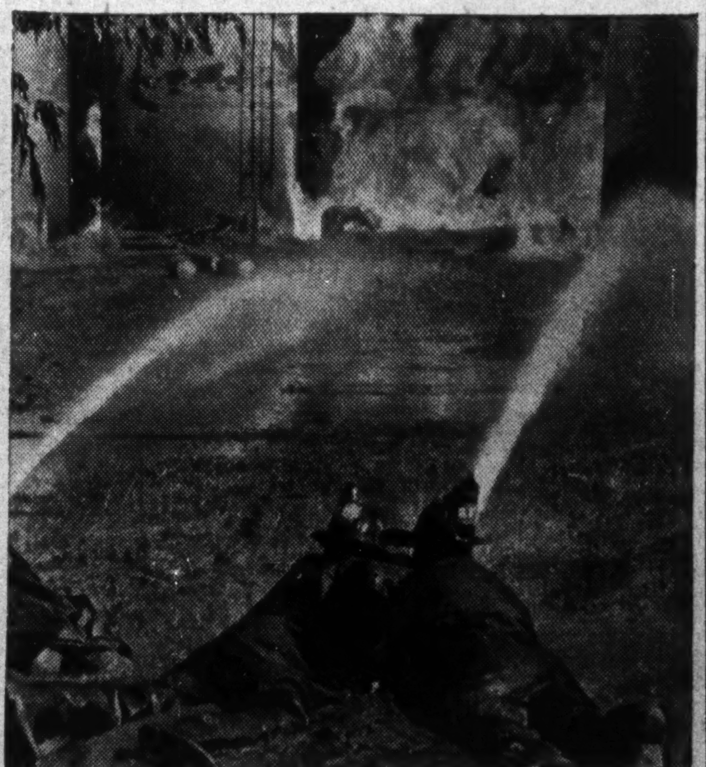
In every building of ordinary construction, Mr. Ritchie claims, there should be fire stopping at each floor level in all walls so as to prevent spread of fire through concealed spaces by vertical or horizontal drafts. When sliding doors are pocketed in partitions care should be exercised to see that all pockets are completely fire stopped at top and bottom.

Where proper methods have been used Mr. Ritchie believes it is fairly easy to confine a fire to a cellar or basement and prevent its spread to the stories above. Equally easy is it in the case of a fire on the upper floors to prevent sparks dropping through openings and causing fire below.

Industrial Fires Show Decline

Evidence that many industrial executives have recognized their responsibility to the Empire to prevent fires in their plants is shown by a survey of industrial fire losses in Canada for the 11-month period from Oct., 1939, to Sept., 1940.

Figures received by W. L. Clairmont, Dominion Fire Commissioner, from fire marshals' and fire commissioners' offices in Canada for that period show a total of 674 fires for a total loss of approximately $3,265,000. This compares with a total of 1,039 fires and a property loss of $3,788,360 for the calendar year 1939, and an average yearly number of 893 fires and $5,230,675 for the ten-year period 1930-1939.



Industrial fires alone average over $5 millions yearly loss.

For FAIR ADJUSTMENTS and PROMPT SETTLEMENTS in
FIRE INSURANCE

"Help Prevent Fires"

The CANADIAN FIRE INSURANCE COMPANY
WINNIPEG · TORONTO · CALGARY · VANCOUVER

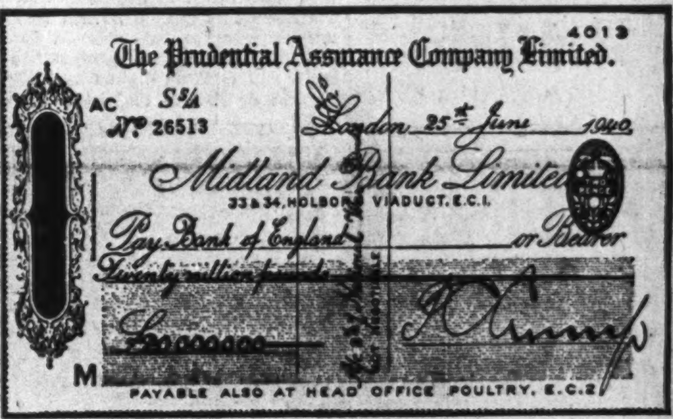
NATIONAL STRENGTH IS THE KEYSTONE OF CANADA'S WAR EFFORT

ASSIST BY INSURING WITH THESE STRONG ALL-CANADIAN COMPANIES

CANADIAN GENERAL INSURANCE COMPANY · TORONTO GENERAL INSURANCE COMPANY

Photo of Keystone

THE
PRUDENTIAL ASSURANCE COMPANY
OF LONDON, ENGLAND, LIMITED
Life - Fire - Casualty



The Prudential Assurance Company Limited. 4013
AC S5/A
No 26513
London 25th June 1940
Midland Bank Limited
33 & 34, HOLBORN VIADUCT, E.C.1.
Pay Bank of England or Bearer
Twenty million pounds
£20000000
M
PAYABLE ALSO AT HEAD OFFICE POULTRY, E.C.2

Part of the effort of The Prudential Assurance Company of London, England Limited, to help win the war is shown by the £20,000,000 check reproduced above. It is their subscription to the recent issue of National War Bonds by the British Government.

This insurance company, the largest in the British Commonwealth of Nations, is firmly established in Canada. Each policyholder is fully protected by the Company's deposits with the Canadian Government and has the security of the Company's whole assets in the class of business in which the policy belongs.

Total Assets of All Branches Exceed .. 1700 Million Dollars
Claims Paid Exceed .... 2870 Million Dollars
HEAD OFFICE FOR CANADA
LEWIS BLDG. — 465 ST. JOHN ST. — MONTREAL, P.Q.
Established 1848.

General Insurance Company of America
First National Insurance Co. of America

H. K. DENT
President

Canadian Head Office — Vancouver, B.C.

●

Persistent adherence to the principles of
FIRE PREVENTION
has enabled GROWTH like this for US:—

	Assets	Premiums Written	Surplus to Policyholders	Unearned Premiums
1923	$ 1,466,000	$ 340,000	$1,266,000	$ 166,000
1926	4,140,000	2,721,000	2,004,000	1,744,000
1932	7,574,000	2,866,000	3,111,000	2,596,000
1935	11,799,000	5,114,000	5,693,000	4,537,000
1938	14,823,000	7,173,000	6,521,000	6,853,000
1939	15,972,000	7,543,000	7,031,000	7,379,000

. . . and is the reason why our Companies steadily increase SECURITY for YOU as they lower the COST of your insurance

"GENERAL" Protection and Service
—None Better at Any Price!

FIRE
and
WINDSTORM
INSURANCE

DIRECTORS AND OFFICERS:
HON. D. L. CAMPBELL, M.L.A.
P. D. McARTHUR
ROBERT McDERMOTT
JAMES McKENZIE
J. C. MILLER, K.C.
ARTHUR SULLIVAN, K.C., Wpg.
JOSEPH TRIMBLE
M. G. TIDSBURY, President
E. H. MUIR, Vice-President
A. G. HALL, Treasurer
A. H. THORPE, Manager-Secretary

EST. 1884
The PORTAGE LA PRAIRIE MUTUAL INSURANCE CO.
PORTAGE LA PRAIRIE, MAN.
WINNIPEG, REGINA, EDMONTON

FIDELITY
Insurance Company
of Canada
TORONTO

Like the
Bulldog—
Strong
and
British

THE
GENERAL
ACCIDENT
GROUP
357 BAY ST., TORONTO

Before
you
insure...
consult
Confederation
Life Association

Insurance

War Service Shelves Disability Benefits

Original Contract Apart From War Clauses Provides This Condition — Coverage is Available for Purely Civilian Occupations

Some confusion has developed among policyholders regarding the effect of war on disability benefits, available under life insurance contracts. Many policyholders are under the impression that these benefits were cancelled by the war clause.

Insurance executives point out, however, that the war clauses had no effect on disability benefits which, according to the terms of the contract, automatically become void when a policyholder engages in in military, naval or air service in time of war.

The same condition applies in the case of double indemnity benefits providing for payments of twice the face value of the policy if the insured dies as a result of accident.

When a person holding a policy providing for disability and double indemnity benefits goes to war and the extra benefits are cancelled, the extra premium for these covers is not collected.

Still Available for Civilians

Total disability and double indemnity insurance are still available for purely civilian occupations, therefore on pretty much the same conditions as formerly.

The disability benefits available differ, however, considerably among different companies.

There are in general two classes of benefit available.

The first provides that in event of the insured becoming totally and permanently disabled, the company will waive the premium keeping the policy in force at its face value until it matures by death or otherwise or until the total disability disappears. This benefit is available from practically all companies.

Monthly Income

The second provides for a monthly income for the insured for stated periods. It can be purchased only from a limited number of the companies. The benefit varies somewhat but in general the conditions are these:

1. Payment of the monthly income starts after the insured has been disabled for six months.
2. The company waives the premiums payable on the policy.
3. The benefits paid are a monthly income of $10 a month for 50 months and $5 a month for 100 months, for every $1,000 of insurance in force. If the total disability continues one month after the 150 months the company will pay the face value of the policy and the contract is then terminated.

Some companies, it is understood, make a difference in the benefits allowed on a whole life and an endowment policy.

An extra premium is charged, of course, for the total disability benefit just as in the case of the double indemnity for accidental death.

Fund of $6.8 Millions Set Up For Lloyd's

The British Government has established a fund of $6.8 millions in Canada on behalf of the Non-Marine Underwriters at Lloyd's for the protection of Canadian policyholders. Official announcement of the establishment of the fund was made by R. C. Stevenson, attorney for Canada for Lloyd's.

This action, it is believed, follows some months of negotiation and is in line with the action taken in the United States just prior to the war, when a deposit of around $40 millions was made for the benefit of United States policyholders.

It would appear to be part of the general policy outlined in February by the Chancellor of the Exchequer of the United Kingdom when he stated in the House of Commons that "the fullest arrangements have been made to enable British insurance companies to carry on their overseas business without impediment and to meet claims by allied, neutral or British claimants under any policy in accordance with the terms of the policy whether it be expressed in sterling or in foreign currency."

Lloyd's Underwriters operate in Canada under license of a number of the Canadian provinces: New Brunswick, Quebec, Ontario, Saskatchewan and Alberta. They have maintained deposits of $50,000 in Ontario and Quebec and $25,000 in the others. The present fund established here, it is understood, is with the Bank of Canada and is for the protection of all Canadian policyholders of the association.

Premium income of the association in Canada is currently estimated at around $6 millions to $7 millions.

It is understood that under existing exchange regulations Lloyd's could not transfer the funds required out of the United Kingdom. Hence the move had to be made by the British Government on their behalf.

NEW MANAGER

Edwin C. McDonald, a third vice-president of the Metropolitan Life Insurance Co., has been appointed Canadian manager of the company, succeeding Harry D. Wright, second vice-president, who is retiring.

Mr. McDonald has been with the Metropolitan 15 years, having been in the insurance business 20 years altogether. Trained as an actuary, he joined the Metropolitan in 1925 as group representative.

Ontario Fire Agents To Meet Oct. 17

The 20th annual convention of the Ontario Fire and Casualty Agents Association will be held in Toronto, Oct. 17-18.

In spite of the war the executive decided to carry on with the convention, as it was felt that the discussions would probably enable agents better to meet many problems which have arisen in recent months.

War to Give Big Impetus To Canadian Industry

The war will give a great impetus to Canadian industry, causing it to make a great step forward, was the view expressed by Harold Crabtree, president of Allied War Supplies Ltd., and of the Canadian Manufacturer's Association in a public interview before the Advertising and Sales Club of Toronto.

He indicated that he expected the result to be much the same as after the last war, when Canadian industry expanded enormously. He expected also, he said, that there would be a great trek of British industry to this side of the Atlantic.

He stated that as a result of the war orders Canadian industry was becoming more diversified. This diversification not only included a greater variety of products but also the establishment of manufacturing plants right across the Dominion, in some instances in communities which had previously been almost entirely agricultural.

Asked as to how businessmen could co-operate with the Government in its war effort, he said that they could help by deferring unnecessary expansion of plants. This would not only lessen competition with the Government for labor and supplies, but every piece of work deferred until after the war would help to stem or prevent the decline in activity otherwise likely to follow. He urged that businessmen could help by giving young men training in skilled trades whenever possible.

Montreal Port Revenues Running Above Average

From Our Own Correspondent

MONTREAL.—Port of Montreal collections, including customs and excise duties and sales tax revenues aggregate $12,356,446 for September. This was the fourth largest total for any month in any port of the Dominion. The gain over the like month a year ago was $2,332,537.

Hitler's Secret Weapon

(Continued from page 11)

alive strong anti-English feeling in France.

At the moment of strain this helped to tip the balance, not only in favor of a separate peace, but, still more disastrous, a peace which makes France for a time the virtual ally of Germany against Britain.

Let us face all the truth: What Germany was doing to France to create hostility to Britain, she was also doing in Britain to create hostility to France, and in Belgium hostility to France and Britain alike. Here also Germany was succeeding — again not sufficiently to cause King Leopold (for instance) crudely to sell out to Germany, but sufficiently to cause him to hesitate to make effective arrangements beforehand with Britain and France for the defense of Belgium.

These hesitations finally resulted in the surrender of a Belgian army of half a million men, opening the road to Dunkerque, and the encirclement of a Franco-British army of three quarters of a million.

Drive in America

Exactly the same technique is operating before our eyes in the United States. The German machine does not even try to win over America to the German cause, or to convince anybody that German triumph would be good for America, something that America ought to aid.

Dr. Goebbels knows his business well enough to realize that such an effort could only help to defeat his purpose. For America would react violently against it. And it is not in the least necessary from the German point of view.

It will suffice to apply to the United States some of the technique applied so successfully to France—make no effort to create an opinion favorable to Germany, but make every effort to create an opinion, if not unfavorable, then lukewarm, to Britain.

Goebbels will try to keep alive the old doubts, see that the old slogans are kept in circulation—"This is Britain's war; America has no concern in it." Insist that it has come about because, as Lindbergh puts it, "Britain has got too much of the earth and Germany too little and America is being asked to help Britain retain the spoils of old piracies."

These suggestions do not need to be entirely successful. They will suffice for Germany's purpose if they create some indecisions, some delays, so that though America in her heart of hearts knows that the people of the Empire fight her battle, her hesitations will cause her to aid that battle "too little and too late."

This is Hitler's "secret weapon," in use throughout the whole world, the weapon without which his military victories would have been impossible.

DELNITE DIVIDEND

An interim dividend of 3 cents a share has been declared by Delnite Mines payable Oct. 31, 1940, to shareholders of record Oct. 12. An initial dividend of similar amount was paid April 30, 1940.

T. C. A. Services Rise Sharply

From Our Own Correspondent

MONTREAL.——Trans-Canada Air Lines carried 7,061 passengers in August, an increase of 1,963 over July and 3,881 over Aug., 1939. Mail carried by T. C. A. totalled 65,333 pounds, an increase of 4,781 pounds over July and 21,339 pounds over August of the previous year. Express increased from 8,779 pounds in July to 12,335 pounds in August, an increase of 3,556 pounds, and an increase of 8,114 pounds over August, 1939.

In the first eight months of the current year T. C. A. carried nearly three times as many passengers as in the corresponding period of the previous year.

Are Succession Duties Subject to Tax?

When sucession duties on an estate are paid out of the general fund so that certain beneficiaries receive their bequests free of tax, is the duty paid to be regarded as an additional legacy and itself subject to tax?

This is the point at issue in a motion before Chief Justice Rose at Osgoode Hall, Toronto, asking for interpretation of certain paragraphs in the will of the late Sir Joseph Flavelle.

Sir Joseph in his will provided for bequests to his children, the succession duties to be paid out of the general fund, leaving the children's interests entirely free of tax. The Ontario Succession Duty branch would tax the duty paid on specific bequests as additional legacies.

An example would be say, where a man is left $10,000 on which the succession duty might be $1,000. If it is deducted from the legacy he gets $9,000. But if provision is made for paying it out of the general fund of the estate then, according to taxing officials, the full legacy would be $11,000 and the duty on his share of the estate would be levied on that amount.

W. N. Tilley, K.C., representing the family, attacked the validity of the 1937 Succession Duty Act under which the will comes, claiming that such a levy is indirect taxation and as such beyond provincial jurisdiction.

How Business Can Help Win War

(Continued from page 11)

approaching a state of practically full employment.

Q. Is there any evidence that we have reached the saturation point in certain types of taxation or in income taxes on certain groups?

A. In carrying out the pay-as-you-go policy we tried to carry taxation in general as far as it was practicable to carry it at the present time. We felt that if we had gone much farther we might have tended to retard the expansion of national income and rising productive efficiency.

Taxes on some specific commodities may have reached something like the saturation point.

For instance, it is probable that any increase in taxes on spirituous liquors would have lessened their effectiveness as a revenue measure.

In regard to income taxes, the situation is complicated by the chaotic situation arising from two or three jurisdictions levying taxes in this field. In some parts of the country our taxes on incomes might be higher, but if we added a much higher rate to existing provincial and municipal taxes in other areas the effect would be total confiscation of income.

Q. Similarly, have not some of the tax increases given evidence of defeating their purpose? For instance, were the big jumps in income taxes on middle incomes one of the reasons why these people were not able to support the war loan?

A. No. I do not think that any of our tax increases have given evidence of defeating their purpose.

It is true, of course, that certain of our people have not as yet adjusted themselves to the new scale of taxes. But I think anyone who examines our schedule of income tax rates will have to agree that the increases made throughout the whole range of incomes were only fair and reasonable. Any one in the middle income group who thinks that he is unduly taxed has only to look at the comparison with income tax rates in the United Kingdom. Thus, a married person with no dependants living in Ontario will pay to the Dominion and Ontario only 29.5% of what his cousin in England will pay if his income were $3,000, only 41.5% if his income were $5,000, and only 65.8% if his income were $10,000.

We must adjust ourselves to comparatively high taxes and also to additional savings and additional purchasing of war loan bonds and War Saving Certificates. That is far cheaper, far easier than the taxation and saving which would be forced upon us by inflation, which is really the only alternative to our present policy of financing the war by taxation and borrowing out of public savings.

Q. Apropos of income taxes, do you find that people are fully aware of the extent to which their taxes payable next spring have increased?

A. I am afraid that all people are not yet fully aware of the blow which they will face next spring. The Department of National Revenue is trying to get people to begin now to budget monthly for their taxes due next spring. To facilitate such a wise programme, if taxpayers pay one twelfth of their estimated taxes in each of the months of January, February, March and April next, and one sixth in each of the months of May, June, July and August, we will forego the 5% interest otherwise payable on the amount not paid on April 30.

Q. Do you find that people are accumulating now the money they will need on April 30 next?

A. A number of foresighted persons are already accumulating the money which they will need to pay next spring, and the number is increasing. Some have already begun to send in installments to the Income Tax Department.

Q. Is there any good reason why Canada could not deduct more of the income tax at the source the way that England does and you do with the National Defense Tax?

A. I think the system we have followed is better than the English system, at least for this country. It is, I think, simpler administratively, and with our single schedule of graduated rates the English system would involve an immense number of refunds. Even in the case of our National Defense Tax we found it impracticable in some cases to provide for deduction at the source.

Q. Is there anything you can say as to the reasons why the recent war loan sold so slowly?

A. First let me say that I do not think a two weeks' campaign is too long a period in which to get effective nation-wide distribution of a loan as large as $300 millions.

To be really successful, such a loan should have a very large number of subscriptions of small and medium size and it takes a lot of time for the canvassers to seek out such subscriptions. It is true, however, that the response from the general public was not as rapid during the first week as we might have expected.

To my mind, the chief reason was the fact that the average citizen did not at the start really understand that we needed his subscription. He felt that the large corporations and institutional investors would gobble up the loan overnight. The tax question may have been another factor, but it was probably of minor importance. Once the public realized that we wanted and needed their subscriptions they "came through" in marvellous fashion and made the loan a real success.

Q. In future loans will there be more of an emotional appeal with bands, parades, speeches, etc., and will the Government set up a nation-wide selling organization on a purely patriotic basis?

A. I agree that in this war we perhaps have had too little of the fanfare and the rhetoric of the last war. So perhaps in time we will have more of the emotional appeal and in any case I think it will be desirable to organize a nation-wide selling organization on a more comprehensive basis and making the largest possible use of the voluntary effort of individuals, societies, associations, etc.

Q. What can the average manufacturer or businessman do to help the Government put over its war loan campaigns? Or is it more valuable for us to get behind the War Savings Certificate campaign?

A. Perhaps another time we shall ask more of them by way of voluntary community organization, but in any case I want to stress the importance of their co-operation in connection with our War Savings Certificate programme. War Savings Certificates and Stamps provide a means of systematic and continuous savings and investment by which, not only is an important contribution made to the war effort, but also the worker is building up a sound investment that will prove a sheet anchor in any stormy seas that may develop when the war is over. I ask all our business executives to do their utmost to promote the sale of these securities in their own organization.

Q. Why is it that no one is allowed to buy more than $500 of War Savings Certificates in any one year?

A. First let me say that beginning next year we are raising the maximum limit of purchase in any one year from $500 to $600. War Savings Certificates are designed primarily for the person of small or moderate means, and consequently they are issued in small denominations. To pay interest every six months on these low denomination securities by cheque or by an interest coupon would be an enormously costly process. We designed, therefore, an instrument whereby the interest is paid at maturity, and our War Savings Certificates are thus tax free. This made it necessary to place at limit on the amount which any one person could purchase and hold; otherwise we would have all the disadvantages of the tax free securities which were issued during the last war.

Q. Are there any signs of inflation in Canada?

A. As yet I see no signs of inflation in Canada. As you know, the cost of living has increased only about 5% since the outbreak of war. Such increases in prices as we have had reflect primarily such factors of rising cost as the exchange premium on U. S. funds, higher ocean freight rates and insurance rates, and expanded war demand for certain materials imported from abroad, increased taxes, etc.

Q. Are you confident that we can avoid inflation as a result of the war?

A. I am confident that we can avoid inflation during the war if we continue the policy of war finance to which we are committed, that is to say, if we pay for the war as much as possible out of taxes and for the rest by borrowing out of public savings. Presumably some further rises in certain prices are inevitable, but, as you know, we have a very efficient Wartime Prices and Trade Board whose job it is to see that there are no unnecessary or undue increases in the prices of the necessaries of life.

Q. Wouldn't it help our war effort to have an exchange stabilization agreement with the United States and peg the dollar at present levels?

A. I do not see that any such formal agreement is necessary. Since the Foreign Exchange Control Board was established, our dollar has been pegged in relation to the U. S. dollar. Since that date, the Board has maintained its official rates for various foreign currencies unchanged. If the Board had done nothing else, the stability of exchange rates which it has achieved would far more than justify its existence and all the petty inconveniences which it may have caused.

Q. Mr. Ilsley: A very great many of the members of this club have been asking themselves questions about the role of the businessman in wartime.

They want to know just to what degree as a nation we need to curtail civilian consumption in order to make certain of an adequate war effort.

Businessmen see Canada's national income going up. That means higher purchasing power. Should the businessman go out for all the business he can get?

In this connection I should like to ask you two questions. First, does the Government desire definitely to curtail civilian consumption? If so, in what direction?

A. The Government is finding and will increasingly find it necessary to curtail civilian consumption. We are engaged in a life and death struggle, and the war demand for labor and materials must have priority over some of the luxuries and comforts that we have learned to enjoy in peacetime.

As soon as a shortage of certain types of labor or certain types of material to meet war demand begins to emerge, or even threatens to emerge, steps must be taken by restrictive measures to see that such labor and materials and plant facilities are released from civilian consumption.

That is the general principle. It is somewhat difficult to particularize, but a few specific suggestions may be made.

For instance, it is certainly not desirable for civilians to restrict their consumption of certain primary Canadian products of which we have a surplus, such as wheat, apples, and various forms of fish products. It is also clear, and has been for some time, that there is a definite need for all of us to economize on imported luxuries or other articles which use up our hard currency exchange. As the Budget Speech outlined, we are faced with an increasingly serious problem of conserving foreign exchange in order to buy from abroad the machine tools, aircraft, and other equipment so essential to the conduct of our war effort.

Finally, I would be willing to make one further suggestion, that is, that we should economize as much as we can on durable consumers' goods, such as automobiles, radios, refrigerators, etc.

I make this suggestion for two reasons. First, it is easy for us to postpone the purchase of this type of article by making our old machine last longer; and secondly, the labor and the plant facilities used in the manufacture of these products are of the type which are going to be badly needed in war work.

Q. Isn't it necessary for business to expand its production and push the sale of its products so that tax revenues will increase.

A. Yes if, but only if it can do so without using labor, materials and plant that would otherwise be used in the war effort. If the labor used reduces unemployment and the materials used cannot be used in the war effort there is no reason why the business should not be pushed to the utmost.

The
WAWANESA
Mutual Insurance Company
Assets Exceed ... $2,600,000.00
Surplus 1,330,363.89
Dominion Govt. Deposit exceeds 1,000,000.00
Wawanesa ranks 1st against all Companies operating in Canada on Net Fire Premiums Written according to Dominion figures for 1939.
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton.
2,000 Agents Across Canada

THE DOMINION LIFE ASSURANCE COMPANY
This Company's financial strength and the accumulated experience of over half-a-century enable it to serve well the insuring public.
ESTABLISHED 1889 — HEAD OFFICE WATERLOO ONTARIO

THE
Dominion of Canada
GENERAL
Insurance Company
Established 1887
Fire Casualty Life

EST. 1825
STANDARD LIFE
ASSURANCE COMPANY
maintains
Assets in Canada
greatly in excess
of the reserves
required by the
Canadian Government
Established in Canada 1833
HEAD OFFICE: . . . . 3 GEORGE STREET, EDINBURGH
HEAD OFFICE FOR CANADA: 391 ST. JAMES STREET, MONTREAL
Branch Offices are maintained in the following Cities:—
TORONTO, LONDON, OTTAWA and HAMILTON, Ont., MONTREAL, P.Q., FREDERICTON and SAINT JOHN, N.B., HALIFAX, N.S., and VANCOUVER, B.C.

NORTH AMERICAN
LIFE
ESTABLISHED 1881 · A MUTUAL COMPANY · SOLID AS THE CONTINENT
Head Office:
TORONTO, CANADA
"Assure your future"
ALL PROFITS FOR POLICYHOLDERS

Insurances and Reinsurances
effected at
Lloyd's, London
ANGLO-CANADIAN UNDERWRITERS LIMITED
80 RICHMOND ST., WEST - TORONTO, CANADA
We offer to responsible brokers and agents throughout Canada the facilities of Lloyd's, in Fire, Automobile, Marine, and Miscellaneous lines.
WESTERN OFFICE: Imperial Bank Chambers, Regina, Sask.
BRANCH OFFICES
Calgary, Herald Bldg. Saskatoon, Priel Bldg. Edmonton, Bank of Montreal Bldg.
MARITIME REPRESENTATIVES
Halifax, N.S., Richard Oland & Co. Ltd., 307 Roy Bldg. Woodstock, N.B., D. R. Bishop.

Fall Travel Focused in Canada

Hunting Season, Exchange Curbs Keep Trippers in This Country

In the sphere of travel, too, it's an ill wind that blows nobody good. Start of the war's second year finds curbs on travel outside Canada far tighter, and considerably more official and effective, than they were in the first fall and winter of war.

But this very restriction has focused the travel interest of Canadians on the exceptional holiday resources of their own country, created new opportunities for exploring the distinctive recreation facilities of Canada itself.

With the hunting season now getting under way, and approach of fall and winter travel seasons, these opportunities beckon with special emphasis.

A year ago the premium on U. S. funds, the hazards (real or feared) of over-water travel, and other war factors, had already cut down travel beyond Canadian borders. As time went on these factors were intensified and new ones developed. The past summer especially saw thousands of Canadians experiencing a pleasant revelation of the vacation attractions they could enjoy without leaving Canada, or even their own province.

Travel Re-channelled

Several months ago travel to the United States was sharply reduced by tightening exchange regulations. Exchange is readily provided for pleasure travel to British possessions in this hemisphere and for transit to them through the U. S., and U. S. funds may still be obtained for trips to U. S. points for reasons of business, health, urgent personal affairs, international conventions and regular commuting by Canadian residents.

The outlook for Canadians is, therefore, that travel for pleasure or recreation in the coming fall and winter months will be channelled within Canada, or to Bermuda, the Bahamas, West Indies or other areas in the sterling bloc.

But it would be a great mistake to interpret this to mean that Canadians are shut off from following their normal travel desires, or from opportunities for full travel enjoyment.

The next few weeks will serve two important functions in the calendar of travel and away-from-home recreation.

The hunting season, first for birds and later for game, will be in full swing in areas all across Canada between now and the end of November.

For those who lean to less active fall and winter travel, the coming month or so will be a time of planning trips.

Wide Choice

For those who would normally trek to Florida, California, or other parts of the U. S. the new regulations still leave them a wide variety of winter-warm areas to head for.

Bermuda, the Bahamas and West Indies resorts are still readily accessible, either direct by steamer, or overland through the U. S. and thence by ship or plane. Canada itself offers a haven to seekers of warm climate, in the mild temperatures and evergreen terrain on "the winter sun porch" of the Dominion—Victoria and other parts of Vancouver Island.

Many Canadians, of course, prefer to make the most of winter rather than trying to escape it, and will head for the unsurpassed winter sports areas in the Rockies, Ontario and Quebec, and parts of the Maritimes.

Travel to Hunt

However, the immediate travel flow over the next few weeks will be into the hunting areas that form an almost unbroken belt across the northern sections of all the provinces. With particular reference to bird hunting — grouse, pheasant, ducks, geese—there are also excellent grounds in the more southerly parts of some provinces.

Present indications suggest greater than usual preparations to handle the annual influx of nimrods on the part of the railways and the operators of the lodges, cabins, guides and the outfitting services that cater to hunters. While much depends on whether the usual volume of visiting American hunters is maintained, it appears now that the travel movement into hunting districts will measure up to previous years.

Americans Welcome

There is no restriction on the entry of American hunters into Canada. They are welcome as usual to share with Canadians the exceptional game resources of Canadian forest and bush areas.

The only new requirement made necessary by war conditions is that they must obtain a permit to bring their guns and ammunition across the border. Such permits must be obtained in advance by applying to the Commissioner of Customs in Ottawa, who investigates each request and mails permits to recipients before they start their journey to this country.

In addition, of course, they must have the usual non-resident hunting permits required by provincial authorities for various types of game.

Varied Seasons

The seasons for various types of game and birds and the areas where they may be hunted vary considerably in the various provinces, even from year to year. It is advisable to check with provincial game authorities or other reliable source of information in planning trips to particular regions, as to whether the area is huntable, duration of the open season, etc. A much publicized incident a few years ago concerned the arrival of a prominent Toronto man at his favorite hunting district, only to be confronted with a sign, posted during the previous year, which said, "Game Sanctuary."

Generally speaking, however, the seasons for birds in different regions range from now to the third week in November, though in some districts they carry on to the end of the year and in more accessible areas are wound up by the end of this month. The seasons for grouse, partridge and pheasant are generally brief, in some districts confined to two or three days, while the seasons for duck and geese are usually less restricted.

For deer, moose and bear the seasons range from about a week in some accessible districts to six weeks or two months in more remote areas, closing up anywhere from early November to the end of the month.

Reaching Remote Areas

In recent years the one-time "remoteness" and "inaccessibility" of good hunting areas in some parts of the Dominion have come to have less and less significance. Many of them are penetrated by railway lines and during hunting seasons parties can readily arrange to be dropped off at way stations or even in the middle of the bush along the right of way.

Still more remote sections, not traversed by railways can be reached by both regular and charter air services. Some air lines make a special bid for this type of business. Canadian Airways Ltd., for instance, specializes in the West and the Maritimes in catering to the needs of hunting and fishing parties seeking to reach out-of-the-way spots.

Canada's big game and wild life generally has a strong lure at this time of year for camera hunters, who, of course, can find pleasure and satisfaction in many areas closed to the hunter. This is particularly true of the big national and provincial parks, where fishing is permitted, but in which virtually all wild life gets sanctuary from hunters' guns. The fall is a particularly good time to see and photograph the wide variety of wild life abounding in these park preserves.

—C.N.R. photo.

Use of camouflage reaches back from the war zones and extends into Canada's unsurpassed hunting grounds, during the shooting seasons now getting under way in various areas. This New Brunswick hunter has piled green boughs atop the shack he uses to house his car and as a base for his forays into the bush. Judging from the trophy over his shoulder, the camouflage was successful.

Claim Abitibi Warrants Not Related to Assets

About a month ago The Financial Post published a letter from R. W. Shepherd, Vancouver, in which he attacked the arguments used by spokesmen for shareholder groups in endeavoring to establish an equity in Abitibi Power & Paper. His letter brought a reply from D. H. Gibson, chairman of the preferred shareholders' protective committee.

Once again R. W. Shepherd writes his views of the bondholders' side of this long-drawn controversy.

He interprets Mr. Gibson's suggestion that bondholders should accept moderate interest payments as being on a scale that would allow further accumulation of arrears. He finds nothing unusual in the foreclosure and sale of Abitibi except the size of the undertaking.

Mr. Shepherd's Letter

Mr. Shepherd's letter follows:

The price at which warrants to purchase shares are offered to 6% preferred shareholders has no relation whatever to the value of the assets nor to their earning power, nor is it pretended that it has.

It is based on the aggregate amount of the bonded debt divided by 1,930,680, the number of shares in the proposed capitalization of the new company, and which on July 1, 1942, the date the warrants lapse, will amount to $41 per share.

Whether this is a fair valuation of the assets or not is beside the point and is also a matter of opinion. The Bondholders' Protective Committee holds the assets are not undervalued. "There appears to be no equity whatever for junior claimants," i.e., after satisfying bondholders' claims, it says.

Fail to Back Opinions

Mr. Gibson and those who think like him assert the assets are undervalued, but for one or other of the reasons enumerated by him they are not prepared to back their opinion with cash. One of these reasons is that the shares are unlikely to reach the figure at which they are offered within the period of the warrants.

I fully agree. I think it unlikely that they will ever reach that figure. Nevertheless it represents what they will have cost the original bondholders in price and defaulted interest within the same period. Abitibi has been no bonanza to its bondholders.

I wonder if it is generally appreciated how rapidly arrears accumulate. At the middle of this year these amounted to 52% of the outstanding bonds or over $25 millions, and by June 1, 1942, will amount to 68% or nearly $33 millions, and some $2 millions less than the whole 6% preferred issue, less any payments by way of interest or dividends in the meantime.

Yet Mr. Gibson wants bondholders to "accept moderate interest payments," how moderate or for how long he does not specify, but presumably arrears would continue to accumulate and the result is only too likely that when normal times return the reconstructed company would be struggling with an excess of capitalization and handicapped throughout. Is it a matter of surprise then that investors, who have been compelled by force of circumstance to exchange their bonds for common shares, should decline to jeopardize the future of the company for the benefit of others who, having the opportunity to participate on exactly the same terms as themselves, refuse to do so? They are not being asked to repurchase their shares but to pay off the debt and receive shares in a company free of funded debt. A very different matter.

A Characteristic Plea

It is characteristic of defaulting debtors to plead for more time, and they support their pleas with a wealth of argument as luxuriant as unsubstantial. I regret I see no exception in this case. Well, they are given more time, 21 months, to make up their minds and find the money, by which time the bonds will be 10 years in arrears. Is there anything precipitate, unjust or unreasonable in that? Much can and will happen in the next 21 months.

A great deal is being said about the shock to public opinion involved by the sale of Abitibi and the necessity of maintaining confidence, especially the confidence of the investing public, but there is nothing unusual in a case of foreclosure and sale. Except for its size Abitibi differs from no other company.

Attempts to Sway Action

Nothing could be more devastating to the confidence of investors than that interested parties should be able "to bring such influence to bear upon the powers that be as may be possible" to restrict the admitted rights of one class of investor for the uncovenanted advantage of another. Besides, people who buy second preferred shares (non-voting unless in arrears if you please) in a recent incorporation which has still to prove itself, and with a highly complex structure and ranking behind a heavy mortgage bond issue should know what they are doing.

Those who have been led astray by an optimistic prospectus or a broker's tip may be deserving of sympathy but that, after all, is the cry of the innocent and confiding and does not harmonize with the use of implications of government intervention.

It is neither my wish nor intention to deal categorically with all and each of the points, largely irrelevant to the fundamental issue, stated by Mr. Gibson. My modest endeavor has only been to separate the bacon from the squeak, so I shall leave it at that.

Pulp and Paper Industry

Security Interest Lags

Marked Improvement in Position of Pulp and Paper Industry Not Reflected In Stock Market — Taxes a Factor

From Our Own Correspondent

MONTREAL.—Canadian pulp and paper companies will show considerably higher earnings this year. Senior charges will be covered by a wider margin after generous provision for depreciation and depletion.

Despite this marked improvement the market for bonds and stocks has not reflected the change. This statement might be modified to the extent of saying that investors have shown a slight partiality for the bonds, but their interest in equities has been practically dormant. This condition has not applied to pulp and paper securities alone.

New Taxes a Drawback

Unquestionably the poor showing made by the pulp and paper securities marketwise has been due to the uncertainty created by the new taxes imposed by the Dominion Government in connection with the war effort. The sharp increase in income tax constitutes a heavy load for industry that has been depressed to an unusual degree. On top of that charge, however, the Government has imposed an excess profits tax which, if carried out in its present form, will practically denude the pulp and paper companies of all their earnings over and above fixed charges.

Indications are that the manufacturers will appeal to the Board of Referees for a special ruling to cover their particular case. Provision was made for this in bringing down the legislation. However, until a ruling has been made by the board, investors are inclined to purchase securities with a fixed income or where they know that the dividend is assured.

Practically none of the pulp and paper securities is in this grouping. They are at best speculative, at least as far as the junior equities are concerned. Consequently it is not to be expected that there will be any marked revival of interest in the pulp and paper stocks until such time as the investor is convinced that the operators have an opportunity of putting some fat on the corporate bones.

Situation Still Good

Prospects for the industry continue along favorable lines. They might even be said to be better as in the interval many adjustments have been made in operations and international trade due to charges brought about by war conditions.

The summary of prospects for the pulp and paper companies as published in The Financial Post's Pulp and Paper Number a year ago still stands with slight modification. It follows:

1. Higher company earnings.
2. Increase in demand for all pulp and paper products, particularly newsprint and chemical pulps.
3. Relatively sharp increase in pulp prices.
4. Premium on newsprint sales in U. S. give the manufacturers another $5 a ton at present exchange rates.
5. Strengthening of market relations with the American publishers.
6. Higher taxes, especially the excess-profits tax.

The first five items are definitely bullish—the last is bearish. Its influence on bond and stock values overrides all the others together.

Question of Exchange

Before considering the trend of values in the past 12 months it is worth while drawing attention again to the fact that while nearly all operators benefit by the premium on American funds, quite a number are adversely affected in meeting their debt charges.

Many of the Canadian pulp and paper companies have taken advantage of reorganization and refunding operations to rid themselves of bonded debt payable as to interest and principal in American funds. Others have not been so fortunate and are faced with fairly heavy charges in this connection.

Some Escape Premium

Following is a list of companies which have no obligations payable as to principal and interest in American funds:

Howard Smith Paper Mills.
Lake St. John Power & Paper.
Anglo-Canadian Paper Mills.
Maclaren Power & Paper.
Mersey Paper (1st. mort. only).
Price Bros. & Co.
Rolland Paper.
Westminster Paper.

To this list also might be added St. Lawrence Paper Mills, St. Lawrence Corp. and Spruce Falls Pulp and Paper. None of these companies has any bonded debt, while the greater part or all of their output is sold in the States and payable in American funds.

Pay in U. S. Funds

On the other side of the ledger are a number of companies which must take into consideration the premium on American funds in meeting their debt obligations. The matter is of importance and has a bearing on more junior securities.

Following is a list of companies with bonded debt charges payable in American funds:

Canadian Pulp and Paper Bonds Payable in U. S. Currency

	Par Value of Bonds	Rate	Annual Interest Charge
Company:	$000	%	$
B. C. Pulp	4,353	6-7	273,475
Bowater-Lloyd	6,342	4½-5	309,720
Can. Inter. Paper	20,215	6	1,212,290
Consol. Paper	51,407	5½	2,827,379
Donnacona	6,584	4½	296,280
Dryden	1,234	6	74,040
Fraser Cos.	7,375	6	454,500
Great Lakes	6,000	5	300,000
Mersey Paper	1,999	6	119,940
Provincial	3,400	5½	187,000
Restigouche	4,243	6	254,580

Note: Abitibi and Minnesota and Ontario Paper companies are not included, as both companies are in bankruptcy.

Bonds Act Well

Newsprint bonds, as a rule, have given a fairly good account of themselves marketwise over the past year. Of the seven actively traded issues, all are selling slightly below their "highs" for 1940. On the other hand there have been some good gains from the "lows." Abitibi 5's, for instance, have advanced from 42½ to 61, while M. & O's have moved from 29½ to 46. These are speculative issues. In the investment issues the gains have been less, nevertheless this group is selling above its lows for 1940 or 1938.

Stocks Record Drag

Examination of the trend of stock values over the past year shows that compared with the low for 1940, the current value is well above that level. On the other hand, values have not recovered to the 1939 highs, most of which were set shortly after war was declared.

The last of any widespread interest in the stocks is seen in the fact that the price range this year has been much narrower than in 1939, while the lows generally are above those registered last year.

It is difficult to say at this juncture whether newsprint bonds and stocks will show any material change in trend over the months immediately ahead. The financial statements for 1940 will be better. Ordinarily this should be cause for an advance in values, but with the heavy burden of taxation, etc., it is unlikely that the trend will undergo any untoward change, except for adjustments to cover particular cases where the record of operations has been better than anticipated.

The market on newsprint bonds, together with the trend of pulp and paper stock values, follows:

MARKET ON NEWSPRINT BONDS

Bond Averages:		1940		1939	
	Current	High	Low	High	Low
Abitibi 5/53 (B)	61	72	42½	67	31
Consolidated 5½/61 (B)	63½	74	46½	62½	30½
Donnacona 4½/56 (A)	80½	82	65½	82	57
Great Lakes 5/55 (A)	89¼	93	80	94½	73½
Lake St. John 5½/61 (A)	89⅛	94	82	92¼	68
M. & O. 6/45 (B)	46	51	29½	49	20
Price Bros. 5/57 (A)	94½	99	89	99	85
Bond Averages:					
A—Paying interest	88.50	92.00	79.13	91.93	70.88
B—Not paying interest	56.83	65.67	59.50	59.30	27.17

TREND OF PULP AND PAPER STOCK VALUES

	1940		1939		1938		1937	
	Current	Low	High	Low	High	Low	High	Low
Abitibi, com.	¾	½	3⅜	½	4¾	1	15½	1¼
Do., pfd.	4¼	2	21¼	3⅛	33	8½	80	14
Bathurst "A"	11¼	6⅛	15½	4¾	11¼	6½	24½	9½
Consold. Paper	4⅝	3	9⅛	2⅝	9⅛	3⅛	24½	5⅛
Donnacona "A"	5	3½	10⅞	2	8⅛	3¼	19½	5
Dryden	5¾	5¾	13	3	8½	4	28¾	7
Great Lakes "A"	27	25	29¾	10⅛	23⅛	17	25½	7
Howard Smith	15	12	22¼	10	18	9	34¼	11¾
Maclaren	16⅛	9	21	8	17	7	37¼	27
Price Bros., com.	13	9	24	6¼	20	8⅝	48⅛	11⅛
Do., pfd.	69⅛	59½	78	36	63	34	59	45
St. Lawrence, com.	3⅛	2	6½	1⅞	6½	2¾	15¼	3¾
Do., pfd.	15¾	10¾	19¾	7	20¼	8½	39¾	12
St. Law. Paper, pfd.	34	20	49½	21	58½	24	97	34

U. S. Newsprint Imports From Europe Limited

From Our Own Correspondent

MONTREAL. — European newsprint paper imported into the United States during August totalled 2,291 tons, the largest since last April, according to the U. S. Dept. of Commerce reports. This brought total imports for the first eight months of the year to 31,557 tons, as against 219,290 tons in the same period of 1939, a decrease of 187,733 tons.

Comparative figures on the monthly imports of European newsprint into the United States by months since the beginning of 1939 follows:

U. S. Imports of European Newsprint Paper

	1940	1939
January	8,953	22,930
February	8,882	20,100
March	1,854	33,029
April	7,323	23,339
May	192	31,486
June	1,168	34,666
July	894	28,457
August	2,291	31,283
September	....	28,370
October	....	31,189
November	....	16,606
December	....	14,929
Total	31,557	316,384

Wood Cut of Bowater To Reach New Record

From Our Own Correspondent

MONTREAL.—Wood cut of Bowater's Newfoundland Pulp & Paper Mills Ltd. in 1940-41 will constitute a new high record for the company. It is estimated that the cut will be in excess of 400,000 cords. Amount to be cut for the mills at Corner Brook will be 320,000 cords, and 80,000 cords will be cut for export.

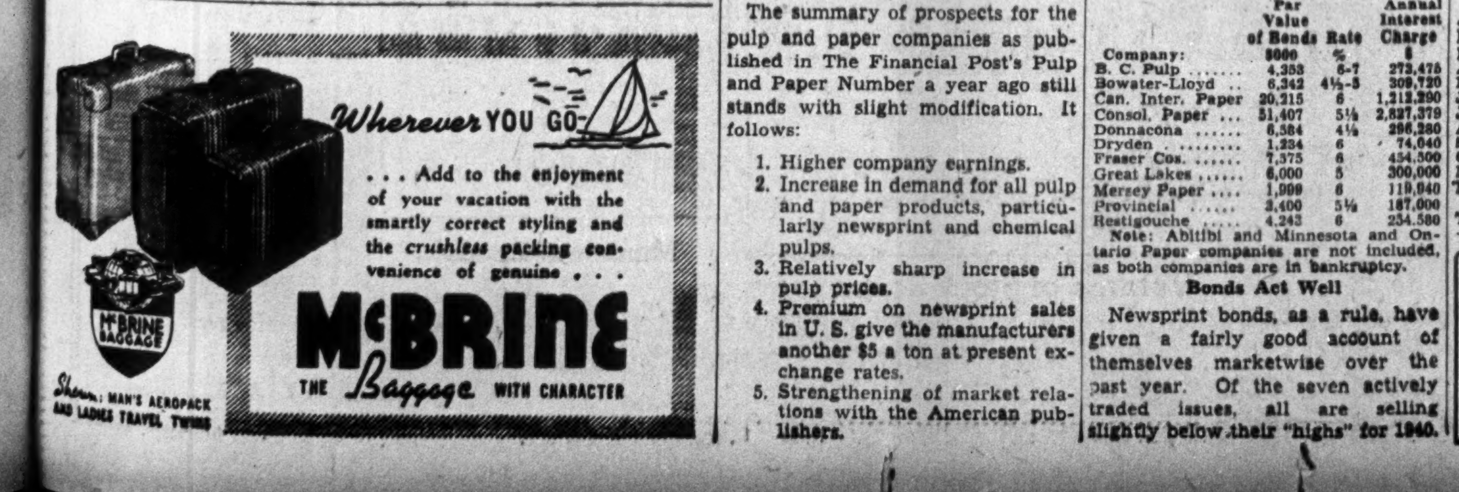
There are at present 43 camps cutting wood for the Corner Brook mill and over 1,500 men employed.

Cut of pit props will be substantially reduced because of the increased demand for pulpwood.

Saint John Calling!
It's the Admiral Beatty—the official AAA hotel. 250 fireproof rooms from $2. single, $3. double. Modern cafeteria. AAA garage.
The ADMIRAL BEATTY
SAINT JOHN, N.B.

CARRY MONEY SAFELY
WHEN YOU TRAVEL
Canadian Pacific Express
TRAVELLERS CHEQUES
OBTAINABLE FROM ALL CANADIAN PACIFIC AGENTS AND MOST BANKS

To The Travelling Public:
HOTEL LONDON
London, Ontario
Rates for Rooms as Follows:—
Single room without bath, $2.50; running water and toilet.
Single room with shower, $2.75.
Single room with bath, $3.00.
Single room with tub and shower combination, $3.50.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $4.50.
Double room with tub and shower combination, $5.00.
Twin bedrooms with tub and shower combination, $5.50.
Soliciting your appreciated patronage,
H. F. STRUCKETT, Manager



Wherever YOU GO
. . . Add to the enjoyment of your vacation with the smartly correct styling and the crushless packing convenience of genuine . . .
McBRINE
THE Baggage WITH CHARACTER
McBRINE BAGGAGE
Shown: MAN'S AEROPACK AND LADIES TRAVEL TWINS

Buy War Savings Certificates and War Savings Stamps
Specializing since 1866 in the engraving and printing of monetary documents for government and industry.
BRITISH AMERICAN BANK NOTE COMPANY
LIMITED
The Old Canadian Company
HOWARD W. PILLOW
President
CHARLES G. COWAN
Vice-Pres. & Man. Dir.
G. HAROLD BURLAND
Sec.-Treas.
HEAD OFFICE: OTTAWA
262 Wellington Street
511 Place d'Armes, MONTREAL
1110 Montreal Trust Bldg., TORONTO

ASSETS
In Excess of
$45,000,000
IN CANADA AND THE UNITED STATES
"Throughout 1939 we continued our prudent policy of liquidity."
"We have been confirmed in our feeling that United States Government obligations remain the best medium for the greater part of our American investments."
"Taking into consideration the geographical distribution of our business, with its high proportion in the British Empire and the United States, its strength in North America, and our comparatively small stake on the Continent of Europe, we can feel that we have certain advantages."
"Face . . . difficulties . . . with . . . confidence."
Excerpts from the address of Sir Courtauld Thomson, K.B.E., C.B., Chairman at the annual general meeting London, April 17, 1940.
THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED
THE EMPLOYERS' ASSURANCE
MONTREAL TORONTO
WINNIPEG CALGARY VANCOUVER
Fire and Casualty Insurance

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

JAMES W. SEWALL
Sutton Block, Port Arthur, Ont.
Timber Cruises and Valuations
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER

SIGNAL FOR O'Keefe's
it's better for you
BEVERAGES LIMITED

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

THE WEEK'S QUOTATIONS

WEEK ENDING SEPTEMBER 30

Range 1940 High	Low	Div R'te $	Sep28 Y'ld %		Sales	Last Sept. 23	Week end. Sept. 30 H	L	Cl'se
				A					
2.50	.50	•	...	Abitibi	1120	.55	.70	.50	.65
27½	2½	•	...	Do. pref. 6%	980	4½	4½	3½	3½
33	5½	•	...	Do. pref. 7%	10	8½	10	10	10
6	3	•	...	Acme Glove	....	(2 bid 3 asked)			
57	45	6.50	...	Do. pref.	....	(45 bid — asked)			
12½	9	80+20c	10	Agnew Surp.	....	(11 bid 12½ asked)			
110	105	7	9.3	Do. pref.	....	(105 bid — asked)			
3.00	.75	•	...	Alta. Pac. Gr.	20	1.00	1.00	1.00	1.00
.20	.05	•	...	For. Pr. Secs.	....	(.15 Apr. 25)			
15½	6	§50c	..	Foundation Co.	10	12½	12	12	12
20	6	•	...	Fraser Cos.	....	(9 bid 10½ asked)			
21⅞	7½	•	...	Do. Vot. Tr.	270	12½	12½	11	11
.50	.50	•	...	Freiman	....	(.50 bid 1.00 asked)			
38	32	•	...	Do. pref.	....	(32 bid — asked)			
16½	9	80c	7.1	Gatineau Pwr.	57	11⅞	11⅞	10½	11½
97	79	5	5.6	Do. pref.	45	89½	90	89½	89½
105½	90	5.50	6.1	Do. 5½% pref.	....	(91½ bid 100 asked)			
6	1½	•	...	Do. Rights	85	2	1⅞	1½	1½
10⅞	4½	•	...	Gen. St. Wares.	550	7	7	6½	6½
96½	77	7+57c	...	Do. pref.	40	91	90	89	89
87	58	2.50+2.50	7	Goodyear T.	155	72	72	70	70
135	120	7	5.2	W. Koot. Pr. pf.	....	(123½ bid — asked)			
5	1½	•	...	West. C. Flour.	25	1½	2	2	2
47	21	•	...	Do. pref.	....	(28 bid 32 asked)			
62	40	3	6.7	West Grocers	....	(45 bid 50 asked)			
112	103	7	6.5	Do. pref.	10	108	108	108	108
•11	10½	50c	...	W'minster Pap.	....	(— bid — asked)			
15	9½	80c	6.5	Weston Ltd.	245	12½	12½	12½	12½
99	76	5	5.6	Do. pref.	....	(91 bid 94 asked)			
24⅞	16	1	5.3	Wilsils	50	19	19½	19½	19½
2.63	.90	•	...	Winnipeg El. A.	252	1.20	1.25	.90	1.00
2.37	1.00	•	...	Do. (B)	363	1.05	1.25	1.00	1.25
12	5	•	...	Do. pref.	....	(6 bid 10 asked)			
85	60	7	10	Wood, A. & J. p	....	(67 bid 90 asked)			
70	30	•	...	Woods Mfg., pf.	....	(33 bid — asked)			
11	5½	30c	...	York Knitting	41	6	6	6	6
•100	100	7	7	Do. 1st pref.	....	(— bid — asked)			
13	8½	•	...	Zellers	150	8½	8½	8½	8½
25	21	1.50	6.5	Do. pref.	110	23	23	23	23

Quotations: • 1939. * 1938.
▲ On account of arrears.
b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1940.
▪ Participating.
†Interim. §Paid or declared payable in 1940 to date.

Mining Stocks

Week Ending September 30.

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 23 (or last)	High for week	Low for week	Close Sept.30
			A					
No	.38	.10	Aldermac	8,600	.19½	.20	.18	.19
1	.06½	.01	Amm. Gold	500	.01½	.01½	.01½	.01½
No	3.00	1.30	Anglo-Huronian	520	2.00	1.85	1.75	1.85
No	.40	.30	Argus Interests	......	(.30 bid .50 asked)			
No	.03	.01	Arno	......	(.... bid .02½ asked)			
1	.17	.04	Arntfield	6,500	.04½	.04½	.04	.04½
1	.07	.02	Ashley	3,000	.04	.05	.04½	.05
1	.04½	.02	Astoria Quebec	2,650	.03	.03	.03	.03
1	2.68	.90	Aunor Gold	4,600	1.77	1.80	1.66	1.71
			B					
1	.10½	.02	Bagamac	2,500	.06½	.05½	.05½	.05½
1	.28	.05	Bankfield	3,333	.08½	.09	.08	.08
No	.33	.07	Base Metals	3,500	.09	.10	.10	.10

Vancouver Stocks

Oil Stocks

Oil Quotations

Par	High	Low	Company	Sales	Close Sept. 23	High	Low	Close Sept. 30
No	.12	.08½	Four Star	......	(.... bid .12 asked)			
No	.17	.09	High Sarcee	......	(.10 bid .12 asked)			
No	3.10	1.31	Home Oil	2,560	1.88	2.08	1.85	1.96
No	.03	.01½	Madison	......	(.01 bid .02 asked)			
No	.04½	.00¾	Marjon Oil	1,000	.01½	.01½	.01½	.01½
No	.15	.05½	McD. Segur Ex.	6,900	.09½	.10	.09	.10
No	.07½	.03	Mercury	450	.04½	.04½	.04½	.04½
No	.07½	.04	Mill City Pete	......	(.04 bid .... asked)			
1	.31	.12	Model	......	(.18 bid .... asked)			
25c.	.08½	.04	Monarch Royal	500	.05	.05	.05	.05
25c.	.21	.05	National Pete	......	(.04 bid .... asked)			
1	.05	.04	Nordon	......	(.04 bid .... asked)			
No	1.31	.58	Okalta	2,200	.90	.99	.91	.91
No	.05½	.03	Pacalta Oil	......	(.... bid .05 asked)			
1	.42	.19	Pacific Petroleums	......	(.28 bid .... asked)			
25c.	.21½	.09	Prairie Royal	3,500	.11	.10	.09	.09½
No	.10½	.06	Royal Crest	1,500	.07½	.07½	.07½	.07½
No	36.00	15.00	Royalite	......	(22.50 bid .... asked)			
No	.19½	.09½	Royal Canadian	9,200	.11	.11	.09½	.09½
No	.07½	.03	South End	......	(.... bid .02 asked)			
No	.60	.21	Southwest Pete	......	(.25 bid .40 asked)			
1	.06	.02	Spooner	......	(.03 bid .... asked)			
25c.	.38	.15	Sunset Oil	17,500	.20	.15	.15	.15
No	.09	.03½	United	......	(.04 bid .... asked)			
No	.07	.03½	Vanalta	......	(.04 bid .05 asked)			
1	.63	.23	Vulcan	100	.35	.35	.35	.35
No	.05	.03	West Flank	......	(.05 May 11)			

*Quotations for 1933.

Winnipeg Stocks

(Transactions from Sept. 23 to Sept. 28)

	Sales	High for period	Low for period	Close Sept. 28
Anoki Gold	500	.06½	.06½	.06½
Arrow Oil	5,000	.28	.28	.28
Sachigo River	10	1.50	1.50	1.50
United Grain	30	7.63	7.50	7.63
Western Breweries	50	1.40	1.40	1.40
Western Grain, pfd.	10	7.50	7.50	7.50
Wingold	4,000	.06	.06	.06

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, c.	..	4
Do., pref.	..	102
Can. Airways	1	..
Can. Indemnity	120	..
Cres. Cream., p.	..	8
Dom. Envelope p.	90	..
Federal Grain, p.	28	..
Do., com.	..	1¼
Monarch Life	33	..
Nor. C. Mtge., p.	5	..
North. Trusts	..	7
Traders Bldg.	39	..
West. Steel	8	8¼
Wings	.15	..

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Oct. 1	9,600	10,000	115,000	......
Sept. 30	5,700	2,800	112,000	16,425
Sept. 28	2,600	4,900	61,000	11,630
Sept. 27	5,800	2,800	121,000	13,550
Sept. 26	4,600	3,900	127,000	14,615
Sept. 25	6,300	5,500	125,000	18,755

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds
Oct. 3, 1940

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	99⅞	100⅛	.60
5	Nov. '41	103⅞	104⅛	1.19
1½	May '42	100⅛	100⅜	1.13
2	June '42	100⅝	101⅛	1.19
3	Oct. '42	102¾	103¼	1.38
2½	June '43	102	102½	1.54
5	Oct. '43	108½	109½	1.86
2	June '44	100⅝	101⅛	1.69
a2½	Jan. '44	91⅞	92⅞‡	4.62
4½	Oct. '44	108½	109½	2.10
2½	Nov. '44	101⅞	102⅜	1.87
a2½	Aug. '45	90½	91½‡	4.39
4	Oct. '45	105½	106	b1.96
4½	Feb. '46	109½	110½	2.44
3½	June '49	101⅞	102½	b2.77
3½	Oct. '49	102½	103	b2.71
3½	Nov. '51	100	100⅞	b3.14
3½	Feb. '52	100	100⅞	b3.13
a5	May '52	98½	99½‡	5.05
4	Oct. '52	104⅞	105½	b3.13
3	June '55	97½	98	3.17
4½	Nov. '56	107	107⅞	b3.09
4½	Nov. '57	107½	108½	b3.19
3	June '58	96½	97½	3.20
4½	Nov. '58	108½	109	b3.24
4½	Nov. '59	109	109⅞	b3.26
a4	Oct. '60	91⅞	92⅞‡	4.50
a3½	Jan. '61	82	83⅞‡	4.51
3½	June '66	98⅞	99⅞	3.26
a3e	Jan. '67	80½	81½‡	4.16
a3e	Nov. '68	80½	81½‡	4.12
†3	Perpet'l.	88½	89½	3.36
Dominion Guarant'd Bonds				
Can. Nat'l. Railway:				
2	Feb. '43	100½	101½	1.46
2½	Jan. '46	99½	100½	2.20
3	May '44	103½	104	1.84
3	Dec. '50	97½	98½	3.17
3	Feb. '53	96⅞	97⅞	3.22
3	Jan. '59	95½	96½	3.25
*4½	Sept. '51	111⅞	112⅞	3.12
*4½	Feb. '56	112½	113½	3.39
4½	July '57	112½	113½	3.44
*4½	June '55	114½	115½	3.44
5	Feb. '54	115	116	3.50
*5	July '69	112	113	b2.61
*5	Oct. '69	116	117	b3.30
*5	Feb. '70	115½	116½	b3.39
Grand Trunk Pacific Rly.:				
3	Jan. '62	97½	98½	3.10
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	83	85	4.77
3½	Aug. '49	87	89	4.78
3½	June '56	85	87	4.66
c4	Nov. '47	94	96	4.67
c4½	Apr. '61	96½	98	4.65
c5	Jan. '60	100	102½	4.80
Nova Scotia:				
3	Jan. '52	91	93	3.75
3½	June '56	90	92	3.93
3½	Nov. '50	96½	98½	3.68
c4½	Sept. '52	104½	106½	b3.45
c4½	Nov. '60	104½	107	4.00
c5	Mar. '60	110	113	4.03
Ontario:				
2½	May '45	99½	100½	2.44
3	Apr. '48	97⅞	98⅞	3.19
3	Nov. '50	97	98	3.24
3½	Nov. '51	98½	99½	3.30
3½	May '55	97½	98½	3.38
*4	June '62	104½	106½	3.57
4½	June '50	108½	109½	3.37
*4½	Jan. '62	111½	113½	3.59
5	Oct. '48	110⅞	111⅞	3.33
*5	Dec. '60	117	119	3.67
5½	July '46	110⅞	111⅞	3.24
Ont. Hydro Commission:				
3	Aug. '48	97½	98½	3.21
3½	Feb. '53	98	99	3.35
3½	Apr. '47	100⅞	101⅞	3.20
Prince Edward Island:				
3	Oct. '45	94½	96	3.87
Quebec:				
3	Nov. '47	94	95	3.78
3½	Mar. '48	95	96	3.97
3½	Mar. '54	91	93	
3½	Mar. '59	91½	93	
4	Mar. '52	99	101	
4½	Aug. '58	100½	102	
4½	Jan. '63	103	105	
Alberta:				
4	Dec. '54	52½	56	
4½	Oct. '51	60	..	
c4½	Oct. '56	54½	58½	
*5	Oct. '59	56½	60½	
c5½	Apr. '52	62	66	
6	Mar. '47	64½	68½	
British Columbia:				
c4	Dec. '57	96	100	
*4½	Jan. '51	100	104	
c4½	Oct. '53	100	103	
c5	Apr. '54	103½	107½	
5½	Feb. '45	101	105	
6	Feb. '47	103½	107½	
Manitoba:				
c4	Dec. '57	87	91	
c4½	Dec. '56	89	93	
*5	Dec. '59	94	98	
5½	Oct. '55	97	101	
6	Apr. '47	98½	102½	
Saskatchewan:				
4	Sept. '54	71	73	
4	Nov. '60	70	74	
c4½	Oct. '51	82½	86½	
c4½	Mar. '60	74	78	
5	Aug. '58	78	83	
5½	Oct. '52	83	87	
6	Mar. '52	87	91	

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. ‡-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Oct. 1, 1940

Industrials:	Bid	Ask.
Acme Farm. D.	21	25
Andian National	28	30
Anglo C. Tel., A	8½	9½
Atlas Steel	16	..
Barrymore, pfd.	28	..
Blue T. Brew. A	7½	..
Do., B	4½	6
B. C. Pulp, c.	17	19
Do., pfd.	70	80
B. C. Sugar	75	78
Burns & Co., A	4½	5⅞
Do., B	3	4
Can. Col. Air.	3	4½
Can. Cr. Stone p	22	..
C. I. L., A c.	220	..
Can. Ing. Rand	70	72½
Can. Tube, 1st p	68	73
Chase, A. W., p.	17	19
Claude Neon, p.	5	6⅞
Colonial Steam.	15½	17½
Cope. Flour un.	13	15
Dom. Manuf., p	60	65
Dover Industries	7½	..
Dunlop T. p $25	22⅞	23½
Easy Wash. p $10	8½	9⅞
Goderich Elev.	7	8
Guard. Realty, p	15	18½
Guelph Carp., p.	97½	101
Do., com.	16½	19½
Gurney Fdry., p	1½	1⅞
Hayes Steel, c.	9½	10½
Hi'land Dairy, p	46	52
Homewood San.	100	120
Inglis, John, c.	5	7
Ingram & Bell	21½	25
Kingston Sh. un	22½	24½
Loblaw Inc., c.	12	13
Morrison Br. un	5	6
M'row Screw, p.	98½	..
Do., com.	10	..
Neilson, Wm., c.	9⅞	..
Do., pfd.	101	..
N. B. Tel., c.	13	15
N. Meth. Ldy., p	53	58
Niag. L. A. Br.	52½	..
Ont. Tobacco, pf	12½	..
Paterson Wm., p	101½	..
Prov. Paper, pfd	101	103
Ruddy, E. L., p.	24½	27½
Stand. Fuel, p.	56	62
Stedman, pf. $50	55½	58
Tor. Carpet, c.	28	32
Do., pfd.	58	64
Un. F. Co-op.	2	3
Un. Steel, A pf.	22½	24
Viceroy p. & rts.	25	..
Trusts & Loan Stocks:		
Brit. Mtge.	125	..
Capital Tr.	28	29
Com. Fin., c.	2½	3
Grey & B. Tr. $50	42	45
Guaranty Trust	98	101
Guelph & C., $50	52	55
Lambton Loan.	32½	34
London & West.	34	40
Sherbrooke Tr.	120	..
Sterling Trust	57	..
Traders Fin. A c	9½	11
Do., A pfd.	76	80
Trusts & Guar.	23	25
Victoria Trust	70	80
Insurance Stocks:		
Brit. Amer.	52	57
Canada Life	410	
Confed. 30% pd.	130	
Crown, fully pd.	235	
Dominion Fire	130	..
D. of Can. Gen.	100	
Empire, 25% pd.	5	
Excelsior 36% pd	57	
Federal 25% pd	50	
Great-West Life	210	
Imperial Life	280	
Manufac. Life	220	
Sov. L., 25% pd.	12½	
Sun Life	360	
Tor. General	5	
Wellington Fire	58	..
Western Assce.	40	
Theatre Stocks:		
Allens, King., p	61	
Do., London p	52	
Do. St. Cath. p	50	
Do., Tor., p.	31	
Mansf. Theat. p.	28	
Para. Kitch., p.	50	
Do., Oshawa c	9½	11
Investment Trust Shares:		
Can. Investors	5	
Deb. & Sec., pf.	62	..
Sec's. Hold., pf.	19	22
United Corp., A	17	19
Do., B	5	
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	99	101
Gt. Lakes Pr., p	99	103
Mtl. Is. Pwr., p.	20	..
Nor. Ont. Pr., p.	78	

Unlisted Mines

Toronto, Oct. 1, 1940

	Bid	Ask
Acordia	.25	.27
Addington	.01½	.02
Albany R	.12	.14
Amal Kirk	.05½	.06½
Anoki	.06½	.07½
Arjon	.01½	.02½
Armistice	.01½	.02½
Argosy	.07½	.08½
Area	.03	.03½
Arno	..	.01½
Athona (Old)	.01	.02
(New)	.02	.03
Barb Lard	.01⅞	.02⅞
Brock	.19	.21
Bilmac	.00⅞	.01½
Buff Bear	.01	.02
Bonetal	.32	.36
Calder Bo	.02	.04
Central M	.02	.02½
Cheminis	.02½	.03½
Coin Lake	.02½	.03½
Cons Chib	.04	..
Crescent	.01	.01⅞
Dayton	.01½	.02
Demp Cad	.00½	.01
Desants n	.10½	.12
Dona Pat	.01½	.02½
E Lacoma	.00½	.01
Elmos	.04	.06
Franco	.25	.30
Galore	.01½	.03
Gate Pat	.00½	.01
Gilbec	.00½	.01
Gordon Lb	.01	.02
Hiawatha	..	.07
Hoyle nw	.22	.23
Hugh PaP	.07	.10
Hutch Lke	.01½	.02½
Jolliette	.01	.02
Keora	.01	.02
Kenricia	.01	.02
Kewaga'a	..	.02
Kiena	.07	.09
Kirk Gate	.01	.02
Lacoma	.00⅞	.01½
Lake Duf	.19	.21
Lake Gen	.03	.07
Lw Pete	.15	.20
Magnet C	.78	.82
Magnet L	.16	..
Magwell	..	.03
Martin Br	.02⅞	.03½
Margaret	.07	.11
McGregor	.03	.04
Mata Cana	.04	.05½
Mof Hl n	..	.02
Monarch	.01½	.01⅞
Mooshla	.01½	.02½
Mosher	.08	.10
Nat Mal	.36	.39
Negus	.55	.65
New Roy	.00½	.01
Nickel O	.75	.95
Norbeau	.14	.19
Norlake	.01	.02
North Am Moly'm	..	.17
Oklend	.06½	.08
O'Leary	.01½	.01⅞
Opemiska	.03	.05
Oriole	.01	.01½
Orpit	.01	.02
Ossian	.01	.02
Pacsack	..	.06
Pascalis	.24	.28
Phoenix	.02	.03
Pontiac R (Old)	.02	.03
Pelangio	.01⅞	.02½
Polaris	.19	.21
Porc McN	.04	.06
Private'r	.43	.47
Proprie'y	1.80	2.00
Presdor	.03⅞	.04½
Queb Man	.05½	.07
Rahn Lake	.02½	.03½
Rand Ml	.09	.11
Red Lake	.02½	.03½
Sachigo	1.50	2.25
Senore	.07	.08
Shenango	.02½	.03
Sheldon	.03½	.06
Siscoe Ex	.01½	.02½
Skynner	.04½	.05½
Smelt Gd	.00½	.01
Spooner	.03	.04
Sunbeam	.03	.04
Springer	.04	.05
Stadacona	.06½	.09
Thomson	.09	.11
Thomp Cd	.02	.04
Treaty P	..	.22
Union Min	.03	.04
Wasu	.03	.06
West Red	.02½	..
Winoga cum rts	.02	.03
Woco	.03	.05
Y David'n	.23½	.25

Montreal, October 1, 1940

	Bid	Ask
Cad Exp	.02	.04
Chibmac	..	.02
C Pand'ra	..	.02
Cournor	.10	..
Dubisson	.08	.12
L Rowan	.03	.05
Obalski	..	.03
Pan Can	.06	.07
Scott Ch	.02	.03
Westwd C	.01	.03

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Oct. 1, 1940

Public Utility Issues:	Int. Rate %	Due	Bid Oct. 1	Asked	Bid Sept. 24
†Assoc. Tel. & T.	5½	'55	75½	78½	75
B. C. Power	4½	'60	98½	101½	98
B. C. Tel.	4½	'61	103	...	103
†Calgary Pwr.	5	'60	105	...	105
Do.	5	'64	102	...	102
†Can. Nor. Pwr.	5	'53	104	107	105
*Dom. Gas & El.	6½	'45	101½	104½	100½
Gatineau Pwr.	5	'49	102	105	102
Do., A	3½	'69	96	99	96
Gt. Lakes Pwr.	4½	'56	96½	...	96½
*Int. Hydro-E.	6	'44	73	76	71
▲Inter. Power	6	'55	100	...	100
Macl'n-Que. Pr.	4	'59	96	99	95½
Mtl. L. H. & P.	3½	'56	98	101	97½
Do.	3½	'73	95	98	95
†Mtl. Tramways	5	'41	89	92	89½
†Do.	5	'55	63	67	63½
Nat. Lt. & Pwr.	6	'49	98	101	96½
N. S. Lt. Pr.	4	'57	99	...	99
Ottawa H. & P.	4	'57	99	...	98½
Ottawa V. Pwr.	5	'59	102	105	102
†Power Corp.	4½	'59	98	101	98
Quebec Pwr.	4	'62	100½	103½	100
*Saguenay P., A.	4½	'66	104	...	104
▲Do., B.	4½	'66	103	...	103
Shaw. W. & P.	4	'61	101	104	100½
Union Gas	4½	'50	101½	...	101
†United Secs.	5½	'52	60½	63½	61½
Wpg. El., ser. A	4	'65	73	76	72½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	62	65	62½
Acadia Sugar	4½	'55	98	...	98
†Alta. Pa. Grain	6	'46	96	...	96
Atlantic Sugar	4	'51	98	...	98
†B. C. P. & Pap.	6	'50	90	...	82
*Brown Co.	5½	'46	53	56	50½
Burns & Co.	5	'58	61	64	61
Canada Bread	6	'41	101½	104½	101½
Canada Cement	4½	'51	102½	...	102½
Can. Paper	4½	'52	97½	...	97½
Can. Steamship	5	'57	96	99	95½
Can. Canners	4	'51	100	103	100
*Can. Int. Paper	6	'49	101½	104½	101½
†Candn. Vickers	6	'47	49	...	44
C. P. R.	3½	'51	88	91	88
Do.	4	'49	92½	95½	92
Do.	4½	'44	97	100	97
Do.	6	'42	102½	105½	102½
†Consol. Paper	5½	'61	65	68	65
Dom. Coal	4½	'52	100	103	99½
Dom. Stl. & Co.	6½	'55	106	...	104½
Dom. Tar	4½	'51	100½	...	100
†Donnacona P.	4½	'56	81	84	80
Famous Players	4½	'51	99	...	99
†Federal Grain	6	'49	96	...	96
†Fraser Cos.	6	'50	97½	...	97½
Gen. Stl. Wares	4½	'52	97½	...	97
*Great L. Paper	5	'55	91	94	89½
†Gypsum, Lime	5½	'48	94	...	92
Ham. By-Pr. C.	5	'55	100	...	100
Inter.-City Bak.	5½	'48	100	...	100
*Inter. P., Nfld.	4½	'68	88	...	90
Lake St. J. P.	5½	'61	89½	92½	88½
†Maple Leaf M.	3	'58	72	75	67
Massey-Harris	4½	'54	89	92	88½
McColl-Fron.	4½	'49	102	...	101
McCormick's	4	'52	95	98	93½
*M. & O. Paper	6	'45	48½	51½	48
Nat. Grocers	4	'47	100	...	100
N. S. Stl. & Co.	3½	'63	82	...	81½
Price Bros.	5	'57	97	100	96½
*Prov. Paper	5½	'47	103	...	102
Reliance Grain	4½	'52	94	...	94
†Restigouche Co.	6	'48	97	...	96½
Rolland Paper	4½	'51	102½	105½	102
Simpson's Ltd.	4½	'51	101½	104½	100½
Smith, Howard	4½	'51	102½	...	102
*United Gas	5½	'48	102½	...	102
United Gr. Grs.	5	'48	93	...	93
†Western Grain	6	'49	54	57	52

*Payable in Canada, or U. S.
†Payable in Can., U. S., or U. K.
▲Payable in Can. or U. K.
*Payable in U. S. only.
▲Payable in Canada only.

Municipal Bonds

Oct. 1, 1940

†Halifax	5	1961	104.00	107.00	4.48
Hamilton	5	1950	110.15	112.15	3.50
Montreal	5	1945	93.00	96.00	6.04
Ottawa	4½	1945	104.15	106.15	3.10
†Quebec	5	1959	104.00	107.00	4.45
Saint John	5	1950	101.00	104.00	4.51
†Toronto	4½	1955	107.50	110.00	3.61
†Vancouver	5	1950	97.00	101.00	4.36
Winnipeg	5	1944	100.00	103.00	4.05

†Payable Can. and N.Y.

Mining Dividends

	Rate	Close Sept. 30	Yield %
Beattie Gold	12‡	.90	..
Bralorne	80c+40c	10.25	*11.7
Broulan Porc.	3c	.65	..
Buffalo Ankerite	‡31c	4.80	..
Bulolo Gold	$3	15.00	20
Can. Malartic	‡6c	.46	..
Cariboo Gold	16c+6c	2.10	*10.4
Central Patricia	16c+7c	1.90	*12.1
Coniagas	‡25c	1.25	..
Coniaurum	16c	1.30	12.3
Cons. Smelters	$1+$1	39.50	*5.1
Delnite	†3c	.65	..
Dome Mines	$2	23.00	8.7
East Malartic	‡20c	3.30	..
God's Lake	2½c	.35	..
Gold Belt	†2c	.20	..
Gunnar Gold	‡3c	.40	..
Hallnor	60c	5.50	10.9
Hard Rock	‡9c	.94	..
Hedley Mascot	‡6c	.45½	..
Hollinger	65c+45c	13.00	*8.4
Howey Gold	‡2c	.26	..
Hudson Bay	$1.75	28.50	6.0
Inter. Nickel, com.	$2	37.50	5.3
Island Mountain	‡8c	.80	..
Kerr Addison	‡10c	2.66	..
Kerr Lake	‡5c	.28	..
Kirkland Lake	10c+2c	.95	*12.6
Kootenay Belle	‡12c	.26	..
Lamaque Gold	40c+10c	5.15	*9.7
Lake Shore	$2	21.00	9.5
Leitch	8c	.52	15.4
Little Long Lac	30c	2.10	14.3
Macassa	32c	3.40	9.3
Madsen R. Lake	†3c	.44	..
McGillivray Coal	3c	.25	..
McKenzie Red L.	12c+2c	.96	*14.6
McWatters	10c	.30	..
Moneta	12c	.55	..
McIntyre Porc.	$2+$1	46.50	*6.4
MacLeod-Cockshutt	†10c	2.44	..
Nipissing	15c	1.00	..
Noranda	$4	57.00	7
North Empire	‡40c	7.25	..
O'Brien Gold	‡10c	.85	..
Pamour Porc.	12c	1.15	10.4
Pato Cons.	20c	2.20	..
Paymaster	2c	.24½	..
Perron Gold	16c+4c	1.70	*11.8
Pioneer, B. C.	40c	2.05	19.4
Pickle Crow	40c	3.05	13.1
Placer Develop.	$1.20	9.00	13.3
Premier	12c	1.00	12
Preston E. Dome	20c	1.95	..
Privateer Mine	‡13c	.45	..
Powell Rouyn	20c	.95	..
Quebec Gold	‡2c	.30	..
Relief Arlington	†5c	.03	..
San Antonio	14c+3c	2.15	*7.9
Sheep Creek	16c+3c	.98	*19.3
Sherritt Gordon	†5c	.72	..
Sigma Mines	‡45c	6.75	..
Silbak Premier	16c	.60	26.6
Siscoe	12c	.59	20
Sturgeon River	†2c	.14½	..
Sudbury Basin	2½c	1.05	..
Sullivan Cons.	‡9c	.64	..
Surf Inlet	†1½c	.09	..
Sylvanite Gold	20c+5c	2.39	*10.4
Teck-Hughes	40c+5c	3.15	*14.3
Toburn	8c+8c	1.25	*12.8
Upper Canada	†3c	.96	..
Ventures	15c	2.70	..
Waite Amulet	†10c	3.45	..
Wright-Harg.	40c+30c	6.40	*10.9

*Yield including bonus. †Initial.
‡Paid or payable in 1940 to date.

Investment Trusts

	Bid	Asked
Affiliated Fund	2.57	
Can. Amer. Trust	2.87	
Can. Inv. Fund	3.50	
All Can. Trustee	10.40	
Grouped Income	....	
Trans-Canada Shs.	11.05	

CALL MOORE LAKE MEET

From Our Own Correspondent

WINNIPEG.—Great West Explorers Corp. has called for a special general meeting of shareholders of Moore Lake Mines Ltd., Oct. 3, to elect directors.

The letter calling the meeting points out that Great West Explorers holds not less than one tenth of the issued Moore Lake shares; that Moore Lake Mines failed to call a meeting; and that therefore Great West Explorers Corp. is empowered to do so by its holdings.

Annual Meetings

1940	Company	Place
Oct. 12	B. Greening Wire	Hamilton
Oct. 15	Ambrican Investments	Toronto
Oct. 17	Mount Royal Hotel*	Montreal
Oct. 25	Calgary & Edm. Corp.	Winnipeg
Oct. 31	Anglo-Huronian	Toronto
Nov. 11	St. Law. Flour Mills	Montreal

*Special.

Dividends Declared

	This payment	Date payable	Date of record
Ajax Oil & G.	1½c	Oct. 31	Oct. 5
Barker's Bread, p.	62½c	Sept. 30	Sept. 27
Beatty Bros., 1st p.	$1.50	Nov. 1	Oct. 15
Biltmore Hats	15c	Oct. 15	Sept. 30
Bralorne Mines	20c	Oct. 15	Sept. 30
Do., extra	10c	Oct. 15	Sept. 30
Brant. Cordage, p.	32½c	Oct. 15	Sept. 20
Bell Telephone	$2	Oct. 15	Sept. 23
B. C. Power, A	50c	Oct. 15	Sept. 30
B. C. Tele., 2nd p.	$1.50	Nov. 1	Oct. 17
Bathurst Pr., A	25c	Nov. 1	Oct. 17
Can. Machinery, pf.	$3.50	Oct. 21	Oct. 1
Can. Nor. Power	▪23c	Oct. 25	Sept. 30
Do., pref.	▪$1.75	Oct. 15	Sept. 30
Can. Bk. of Comm.	$2	Nov. 1	Sept. 30
Canada Iron	$1.50	Nov. 1	Oct. 15
Do., pref.	$3	Nov. 1	Oct. 15
Can. Fairbanks, pf	$1.50	Oct. 15	Sept. 30
Celanese of Amer.	†25c	Oct. 15	Sept. 17
Do., stock div.	*	Dec. 10	Oct. 11
Do., prior pf.	†$1.75	Jan. 1 '41	Dec. 17
Do., part. pfd.	†$3.50	Dec. 31	Dec. 17
Can. For. Invest.	70c	Nov. 1	Oct. 15
Candn. Ind., A, B.	$1.75	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Bronze	37½c	Nov. 1	Oct. 21
Do., pref.	$1.25	Nov. 1	Oct. 21
Comm. Alcohols, p.	10c	Oct. 15	Sept. 30
Canadian Oil, c.	12½c	Nov. 15	Nov. 1
Do., extra	12½c	Nov. 15	Nov. 1
Can. Silk Prod., A	37½c	Oct. 1	Sept. 14
Can. Converters	50c	Nov. 15	Oct. 31
Can. Gen. Invest.	12½c	Oct. 15	Sept. 30
Delnite Mines	3c	Oct. 30	Oct. 12
Distil.-Seag., p.	†$1.25	Nov. 1	Oct. 15
Dominion Bank	$2.50	Nov. 1	Oct. 19
Dominion Tar pfd.	$1.37½	Nov. 1	Oct. 14
Dom. Textile, pref.	$1.75	Oct. 15	Sept. 30
Dome Mines	50c	Oct. 21	Sept. 30
Dom. Oilcloth	30c	Oct. 31	Oct. 15
Do., extra	▪10c	Oct. 31	Oct. 15
Foundation Co.	25c	Oct. 18	Sept. 30
General Trust, p.	$1.25	Oct. 15	Sept. 21
Gordon & Belyea p	$1.50	Oct. 1	Sept. 26
Do., 2nd pref.	$1.50	Oct. 1	Sept. 26
Gt. West. Sadd., p.	75c	Oct. 30	Oct. 17
Guar. of N. Amer.	$1.50	Oct. 15	Sept. 30
Do., extra	$2.50	Oct. 15	Sept. 30
Gt. L. Power, pf.	$1.75	Oct. 15	Sept. 30
Guaranty Trust	$1.25	Oct. 15	Sept. 30
Guysborough Mines	▪2½c	Oct. 21	Oct. 10
Hollinger Cons.	5c	Oct. 7	Sept. 23
Do.	5c	Oct. 7	Sept. 23
Int. Metal, p. & A pf.	$1.50	Nov. 1	Oct. 15
Do., arrears	$6	Nov. 1	Oct. 15
Inter. Util. pfd.	‡†87½c	Nov. 1	Oct. 22
Invest. Found., p.	75c	Oct. 15	Sept. 30
Do., arrears	'25c	Oct. 15	Sept. 30
Inter. Nickel, pf.	†$1.75	Nov. 1	Oct. 2
Imperial Bank	$2.50	Nov. 1	Sept. 30
Inter. Milling, p.	†$1.25	Oct. 15	Sept. 28
Kerr Addison Gold	5c	Oct. 15	Sept. 28
Kirkland L. Gold	5c	Nov. 1	Sept. 30
Do., extra	1c	Nov. 1	Sept. 30
Kootenay Belle	2c	Oct. 22	Oct. 15
Maritime Tel.	17½c	Oct. 15	Sept. 20
Do., pref.	17½c	Oct. 15	Sept. 20
McColl-Fron. pf.	$1.50	Oct. 15	Sept. 30
Maple L. Gard., p.	70c	Oct. 15	Oct. 1
Moneta Porc.	3c	Oct. 15	Sept. 30
Mtl. L. H. & Pwr.	37c	Oct. 31	Sept. 30
Montreal Tele.	•55c	Oct. 15	Sept. 30
Montreal Trams.	$1.50	Oct. 15	Oct. 3
Nan.-Dunc. Util., c.	20c	Oct. 1	Sept. 15
N. S. Trust	$3.50	Oct. 15	Sept. 30
Nor. Ont. Pwr.	▪30c	Oct. 25	Sept. 30
Do., pref.	▪$1.50	Oct. 25	Sept. 30
Nat. Steel Car	50c	Oct. 15	Sept. 30
Nat. Biscuit	†40c	Oct. 15	Sept. 10
N. B. Telephone	12½c	Oct. 15	Sept. 30
Penmans	75c	Nov. 15	Nov. 5
Do., pref.	$1.50	Nov. 1	Oct. 21
Preston E. Dome	5c	Oct. 15	Sept. 30
Power Corp., p.	$1.50	Oct. 15	Sept. 30
Do., 2nd pref.	75c	Oct. 15	Sept. 30
Premier Gold	3c	Oct. 15	Sept. 16
Rolland Paper	30c	Nov. 15	Nov. 5
Do., pref.	$1.50	Dec. 2	Nov. 15
Regent Knit., pfd.	80c	Nov. 1	Oct. 15
Silbak Prem.	4c	Oct. 25	Oct. 5
Sullivan Cons.	3c	Nov. 1	Oct. 5
Smith H. Pap. pf.	$1.50	Oct. 15	Sept. 30
Simpson, Robt., p.	$3	Nov. 1	Oct. 17
San Antonio G.	7c	Nov. 5	Oct. 21
Do., extra	3c	Nov. 5	Oct. 21
Saguenay Pr., pf.	$1.37½	Nov. 1	Oct. 15
So. Amer. Gold	†10c	Nov. 20	Nov. 7
South. Can. Pr., p.	$1.50	Oct. 15	Sept. 20
Sheep Creek G.	4c	Oct. 15	Sept. 30
Do., extra	1c	Oct. 15	Sept. 30
Simpsons, pref.	$1.62½	Nov. 1	Oct. 17
St. Law. Corp., A p.	20c	Oct. 15	Sept. 30
Sigma Mines	15c	Oct. 15	Sept. 30
Spud Valley G.	2c	Oct. 10	Sept. 30
Steel of Canada	43¾c	Nov. 1	Oct. 7
Do., pref.	43¾c	Nov. 1	Oct. 7
Tuckett Tob., pf.	$1.75	Oct. 15	Sept. 30
Traders Bldg.	$1	Sept. 30	Sept. 25
Traders Finance, p.	$1.50	Oct. 1	Sept. 16
Do., 7% pref.	$1.75	Oct. 1	Sept. 16
Union Gas	20c	Dec. 14	Nov. 20
West. Grocers	75c	Oct. 15	Sept. 20
Do., pref.	$1.75	Oct. 15	Sept. 20
Willson Stat., pf.	$1.25	Oct. 15	Sept. 30
Weston, Geo., pf.	$1.25	Nov. 1	Oct. 15
West. Koot. Pr., p.	$1.75	Oct. 1	Sept. 25
Wood, A. & J. pf.	$1.75	Nov. 1	Oct. 15

†Payable in U. S. funds.
▪Subject to approval by Foreign Exchange Control Board.
*One share for each 30 common shares held.
'Final payment on arrears.
•Net payment after deducting corp. inc. tax
‡Subject to approval of Securities and Exchange Commission and payable out of capital surplus.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 215

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1940, and that the same will be payable at the Bank and its Branches on and after Friday, 1st November next, to shareholders of record at the close of business on the 30th September, 1940. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 12th September, 1940.

The Dominion Bank

Dividend No. 232

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up Capital Stock of this Institution has been declared for the Quarter ending 31st October, 1940, making a total distribution of ten per cent for the fiscal year. The Dividend will be payable at the Head Office of the Bank and its Branches on and after Friday, the first day of November, 1940, to shareholders of record of the 19th October, 1940.

By Order of the Board,

ROBERT RAE,
General Manager

Toronto, 12th September, 1940.

Delnite Mines, Liimted

(No Personal Liability)

DIVIDEND NO. 2

NOTICE IS HEREBY GIVEN that an Interim Dividend of Three per cent. (i.e., 3c per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared payable October 30th, 1940, to Shareholders of record at the close of business October 12th, 1940.

By order of the Board.

W. S. WALTON,
Secretary.

Toronto, September 30th, 1940.

SALESMAN TRADER WANTED

by established bond house. Age about 26 years, with selling and trading experience. Our staff have been notified of this advertisement. Apply, giving particulars, present salary, etc., to

Box 77, The Financial Post,
Toronto

Dom. Woolens 6's
89.50 bid

A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

Vitamins May Win War

New Milling Methods Get Vital Elements From Wheat

What is widely regarded as one of the most important dietary discoveries of recent years involves Canadian hard spring wheat.

Work just completed by the Paediatric Research Foundation, associated with the Hospital for Sick Children, Toronto is held as indicating that the average Canadian's diet may be seriously deficient in the B group of vitamins and that this deficiency can be readily repaired with a new flour milling process.

Vitamins are the much publicized —and vital—elements which control many of the chemical processes of the human body.

Research has demonstrated that one of the most important deficiencies in the average Canadian diet is a lack of the B group of vitamins. This group is known to contain eight separate vitamins but it is what is known as B_1, or thiamin, which is the most important, according to Dr. T. G. H. Drake of the Paediatric Research Foundation.

Elimination Means Death

Complete elimination of this vitamin means death in the rats used in the experimental laboratory within three weeks. In men, women and children it would mean impaired health in a few weeks and death within a period of months.

Actually, according to Dr. Drake, who has long specialized on the study of diets, complete elimination of B_1 is not possible in the every-day Canadian diet.

But through lack of knowledge, dietary fads, or insufficient income, the optimum of the vital B_1 may be lacking in a large proportion of Canadian diets.

The "Chimney Smokes"

Vitamin B_1 is essential in certain chemical processes of the body. Lack of it means inability to "burn" carbohydrates. It brings on neuritis, lack of appetite, leaves one an easy prey to infections. As Dr. Drake puts it, when vitamin B_1 is not present in adequate amounts, the "chimney smokes."

How important this research and discovery is can be seen when it is known that 44% of all the calories consumed in Canada, based on Dominion Bureau of Statistics figures on foods used in 1938, were supplied by sugar, molasses and white flour. All of these are either devoid, or very low in the B group of vitamins. Of these vitamins, it has been demonstrated that four are essential to human health and the other four are probably just as essential. Research has not yet proceeded far enough for everything to be known.

These conditions, the researchers find, means weakness in the individual, lack of ability to carry on work and economic waste.

Wheat Best Source

The best, cheapest and most readily available source of this vital element of diet has been found to be Canadian hard spring wheat. The trouble has been that modern milling processes—spurred on by the demand of the consumer for ever whiter bread—leaves far the larger portion of this vitamin in the wheat by-product which is fed to farm animals.

The B group of vitamins are found in abundance in whole wheat. Particularly valuable for this need are the germ of the wheat and the inner layer found between the white flour centre core and the fibrous bran layer.

So vital is an adequate supply of vitamin B_1 considered that the British Government, tremendously concerned about the diet of the British people in wartime, has decreed that, within a few weeks, all white flour sold in Britain must have added to it sufficient synthetic B_1 to bring its content up to that of the whole wheat itself.

Canadian researchers at the Paediatric Foundation, led by Dr. Drake, have collaborated with millers in developing a method of milling Canadian hard spring wheat which leaves two thirds of the B_1 vitamin in the flour. Practical work on the milling process has been aided by the T. H. Taylor Flour Mills, Chatham, Ont. Particularly mentioned by Dr. Drake are Dr. L. J. Bohn, cereal chemist for the Taylor mills, and Charles Merilees, superintendent of milling. In the United States, work has been done by the Victor Flour Mills, Pittsford, N.Y.

"Puros" Flour Developed

The result has been a white flour which retains this vital middle layer containing the concentration of B vitamins in the wheat. This layer is about 10% by weight of the wheat berry. This flour is now being made and marketed under the name of "Puros" which is Greek for wheat.

How the new flour compares with hard wheat itself and ordinary flour in B_1 content is shown here:

Vitamin B_1 Content

	Units per lb.
Can. hard spring wheat	600
"Puros" flour	400
Straight bakers' white flour	150
First patent household flour	95

Dr. Drake estimates that complete replacement by Puros flour of the present white flour used in Canada would provide an amount of vitamin B_1 which, if bought at drugstores, would cost $25 millions each year.

The British Government is bearing the entire cost of fortifying flour used in Britain. One fifth of a gram of thiamin (vitamin B_1) will be added to each sack of flour. One third of an ounce of thiamin will provide vitamin B_1 for all the bread an average individual will consume in his life. Greater London will require about 61 lb. of thiamin daily and the entire country 1½ cwt. weekly. It will cost the British Government an estimated $60 millions each year for this scheme, according to reports from Britain.

Each 1½ lb. loaf of bread made from Puros flour has 300 vitamin B_1 units. To buy these at the drugstore would cost 1.4c. This is for the B_1 content only and makes no allowance for the other seven elements of the B vitamin group all of which are found in this flour.

Can Save 30c. a Bbl.

The British method of compulsory addition of synthetic B_1 to white flour will cost an estimated 50c. per bbl. additional to bring the flour to the strength of whole wheat in B_1. By using "Puros" flour and adding the one-third of the B_1 content of the wheat, which is lost in milling even under the new process, would cost only 20c. a bbl. On the quantity of flour used in the United Kingdom this would mean a very important saving.

Already this new flour, and bread made from it, is available in about 70 communities in Ontario and Quebec. Wonder Bakeries has introduced this bread under the name of "Melior." This company reports universal liking of the bread wherever sold to date.

A vitally important factor in the use of this flour is that it is being made and sold to bakers at no advance in cost over standard white flours. A condition stipulated before the Foundation permits use of the name is that both the flour and the bread made from it be offered at no advance in price. The Foundation undertakes to make tests to assure that its standards are adhered to throughout.

Millers who are using the new methods find that what is termed a "nominal" additional cost is required for some new equipment. This equipment is now being made and installed as fast as available.

Bakers have to follow the formula devised by the Foundation but it is claimed that no particular baking problems are involved.

DIVIDEND NOTICES

San Antonio Gold Mines Limited

(No Personal Liability)

Dividend No. 14

Notice is hereby given that a dividend of 7c a share, and an extra dividend of 3c a share, making 10c a share in all, has been declared on the outstanding capital stock of the company, payable in Canadian funds, on the 5th day of November, 1940, to shareholders of record at the close of business on the 21st day of October, 1940.

By order of the Board.

M. SNYDER,
Secretary.

September 24, 1940.

PENMANS LIMITED

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1940.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of November to Shareholders of record of the 21st day of October, 1940.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of November to Shareholders of record of the 5th day of November, 1940.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal,
September 26, 1940.

Canadian Bronze Company, Limited

DIVIDEND NOTICE

THE quarterly Dividend of 1¼%, on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of November, 1940, to Stockholders of record as of the 21st day of October, 1940.

Also a quarterly Dividend of Thirty-seven and one-half (37½c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending October 31st, 1940. Payable the 1st day of November, 1940, to Stockholders of record as of the 21st day of October, 1940.

By Order of the Board,

W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
September 27th, 1940.

CANADIAN GENERAL INVESTMENTS LIMITED

Dividend Notice

NOTICE is hereby given that a dividend of Twelve and One-half Cents (12½c) per share on the paid-up capital stock of the Company has been declared to shareholders of record Sept. 30, 1940, payable Oct. 15, 1940.

SHARE WARRANT holders will present Coupon No. 49 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Halifax, St. John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By order of the Board.

E. M. STRAIN,
Secretary.

320 Bay St., Toronto, Ontario.

Shipping Grain To Maritimes By Steamer

Storage Arranged—Provides Return Cargo For Apple and Potato Boats

From Our Own Correspondent

OTTAWA. — Shipment of coarse grains to the Maritime Provinces by water route has begun, following lengthy negotiations by the governments of the Maritime Provinces to secure transportation concessions on mill feeds.

It is understood that 5 million bushels of western coarse grains, mostly barley, will be shipped to the Martimes this season, establishing a precedent likely to be used in future to support maritime demands for lower freight rates on feed grains.

Provision of storage space in St. Lawrence terminal elevators made the Maritime shipments possible. The National Harbors Board allotted space for 500,000 bushels at one time in the Montreal area.

When submissions were made to federal authorities, the maritimers asked either a lower freight rate by which millfeeds could be carried at export rates, or provision for an all-water route from Montreal to maritime points.

Shipping space has been found, it is understood, by arranging for bottoms carrying apples and potatoes to St. Lawrence points, to carry millfeeds on the return. The empty-trip problem hitherto prevented chartering of bottoms for grain to the Maritimes.

A campaign is still proceeding actively to secure an export basis for freight on millfeeds for maritime consumption.

Company Reports

St. Lawrence Flour

Moderate increase in operating profit is shown by the annual statement of St. Lawrence Flour Mills Co. for the year ended Aug. 31.

Net profit, however, is reduced by $29,264 to $132,294 because of increased provision for income tax and the new "excess" profits tax. Provision for these two taxes of $29,000 is made, against income tax alone of $39,000 in the preceding fiscal year. This $53,000 increase more than accounts for the drop in net profit.

Income and Surplus Account Years Ended Aug. 31

	1940 $	1939 $
Operating profit	293,577	265,537
Add: Invest. inc.	7,863	7,590
	301,440	273,127
Less: Exec. remun.	41,750	36,975
Legal fees	396	594
Directors' fees	5,000	5,000
Net earnings	254,294	230,558
Less: Depreciation	30,000	30,000
Inc. & "excess" tax	92,000	39,000
Net profit	132,294	161,558
Less: Pref. divds.	40,250	40,250
Common divds.	54,000	54,000
Surplus for year	38,044	67,308
Add: Prev. surplus	478,541	411,333
Less: Loss on secs.	837	......
Prior inc. tax	......	100
Surplus forward	515,748	478,541

Working Capital

	1940 $	1939 $
Current assets	742,603	835,210
Current liabilities	147,362	274,647
Working capital	595,241	560,563

Balance Sheet Changes

	1940 $	1939 $
Cash	93,598	3,660
Trade accts. rec. (net)	263,468	193,233
Other accts. rec. (net)	35,912	24,137
Inventories	347,304	600,400
Bank overdraft	......	11,121
Bank loan	......	170,000

Alberta Pacific

Substantial improvement in operations is reported by Alberta Pacific Grain Co. in the year ended June 30, 1940. Net profit, after all charges and provision for income tax amounted to $161,596, compared with $16,902 in the preceding fiscal year. Provision for income taxes of $75,000 was made in the year under review, against $5,000 in 1938-39.

Net profit was equal to $5.39 a share on the 7% preferred stock, against 56 cents in the preceding year, while a deficit earning of 61 cents was shown on the common, compared with a deficit of $2.41.

No dividends have been paid on the preferred stock since July 1, 1930. Arrears at July 1 in the current year amounted to $70 a share.

Income and Surplus Account Years Ended June 30

	1940 $	1939 $
Oper. profit	873,803	605,052
Add: Inc. fr. invests.	10,645	43,868
Less. Directors' fees	1,250	1,250
Exec. sals. & legal	52,281	43,368
Net earnings	830,917	604,302
Less: Depreciation	398,923	390,602
Bond int. & exch.	168,071	163,290
Loss on moving, etc.	27,327	29,209
Inc. tax prov.	75,000	5.000
Less: Subsid. prof.	......	701
Net profit & surp. for year	161,596	16,902
Add: Prev. surplus	182,856	165,954
Surplus forward	344,452	182,856

Working Capital

	1940	1939
Current assets	3,414,628	1,411,793
Current liabilities	1,898,248	249,190
Working capital	1,516,380	1,162,603

Balance Sheet Changes

	1940	1939
Cash	68,249	666,618
Grain advances	57,235	9,383
Sundry (net)	81,022	57,118
Inventories	3,048,982	474,202
Marketable secs.	57,550	81,665
Loans	1,370,000	......
Sundry creditors	314,500	218,791
Funded debt	2,537,000	2,678,000

N. Bawlf Grain

While operating profit of N. Bawlf Grain Co. and subsidiaries was up moderately in the year ended Aug. 31, 1940, greater provision for depreciation contracted net profit to $4,459, compared with $7,248 in the preceding year.

Cons. Income and Surplus Account Years Ended Aug. 31

	1940 $	1939 $
Oper. profit	195,535	115,564
Less: Exec. sals. & legal	33,772	33,243
Directors fees	1,500	1,500
Add: Inc. fr. invests.	951	9,852
Net earnings	161,214	90,676
Less: Depreciation	142,222	71,050
Bond int. & exch.	13,533	12,378
Inc. tax prov.	1,000	......
Net profit & surplus for year	4,459	7,248
Add: Prev. surplus	75,156	78,007
Less: Loss on prop.	16,137	10,099
Surplus forward	63,478	75,156

Working Capital

	1940	1939
Current assets	948,623	321,397
Current liabilities	863,163	368,924
Working capital	85,460	*47,527

*Excess of current liabilities over current assets.

Balance Sheet Changes

	1940	1939
Accts. rec.	36,079	51,665
Inventories	826,969	233,963
Bank loan	725,000	270,000
Accts. pay., etc.	124,496	70,679

Millers Have Busy Period

Within the past few weeks improved demand has pushed operations of the majority of Canadian flour mills to capacity or near that level, The Financial Post learns. How long this condition will last cannot be forecast at present. For the present, however, it apparently means a substantially increased scale of activity.

Week in Wheat

Grain Deliveries Sought For Russia, Portugal

Potential Business for Canada Likely to be Turned Down Because of Risk of Aiding Germany to Get Foodstuffs

From Our Own Correspondent

WINNIPEG.—Enquiries for wheat to be shipped to Russia and to Portugal created interest in the market this week but a deal is unlikely in view of political considerations. Last winter Canada refused to allow Canadian wheat to go to Vladivostock and as a result the Russians bought several million bushels of American soft winter wheat shipped from north Pacific coast points.

Presumably the process will be repeated if the present opportunity to sell about five million bushels to Vladivostock is refused. While such wheat might not be shipped across Russia to Germany it is difficult to be sure that obtaining supplies at Vladivostock does not make it easier for European Russia to supply grain to Germany.

Doubtless the Government, in deciding whether or not to allow the shipment, would have to take into consideration the new relationship of Japan to the situation and the extent to which it is desirable for Russian strength on the Pacific to be maintained.

Business with Portugal is also subject to political considerations and it will be necessary to be sure that any shipments to that country do not result in making available exports of foodstuffs from Portugal to Germany.

• • •

Big Delivery

Opening of the October trading month was marked by delivery of over 5 million bushels on contract, a quantity unexpectedly high in view of the recent stagnation in the market. Deliveries were confined to No. 1 Northern as other grades of wheat are trading in the cash market at better than delivery spreads.

Accounts of the extent of drought in Australia and the poor prospects for the wheat crop would be a cause of interest in the market except for the fact that supplies elsewhere are plentiful. Australia was not expected in any event to take much part in supplying wheat to Great Britain for the next year.

Although visible supplies of Canadian wheat are now approaching the 400 million bushel mark, farmers' deliveries of new wheat due to delayed threshing on account of rain have been less so far this year than last by almost 100 million bushels. Deliveries of coarse grains are also much less than last year. That fact, together with a strong demand from maltsters and hog feeders in eastern Canada, has lately been giving barley prices a good deal of strength.

• • •

Farm Storage Problem

Western anxiety about financing farm-stored grain has not been very vocal of late, but it must be considered to be suspended rather than terminated. Restrictions on delivery of oats and barley have been abolished, the quota has been raised to eight bushels per acre at all points for wheat, at many points higher.

The immediate need for cash by farmers has been alleviated in several ways. In livestock districts farmers have had a fairly good income from sales of cattle and hogs at satisfactory prices.

In other districts, country merchants have continued to extend credits for harvest needs to a greater extent than formerly thought practicable. Other creditors, especially land and mortgage companies, have tended to lenience with farm debtors, knowing that until larger grain deliveries are practicable their accounts will have to stand.

• • •

Alberta Freezes Liens

In Alberta the Provincial Government has passed an order-in-council providing that liens on grain incurred before the harvest period be postponed in favor of liens subsequent to Aug. 1 for harvest needs. That order-in-council, it is announced, is to be validated at the next session of the Legislature.

In the meantime its actual legal effect on commercial creditors is perhaps doubtful, but there is no doubt about the effectual postponement of claims for taxes and for hail insurance premiums.

In Saskatchewan, although municipalities have a right to enforce collection of taxes out of the first proceeds of a crop, they have mainly been postponing their rights in that connection. Manitoba farmers have had proportionately less difficulty with respect to crop liens, due to proportionately greater receipts by farmers from sale of livestock and from coarse grains.

In parts of the country, and more especially in Alberta, a great part of the crop is standing in stooks. It cannot be threshed until there is a sufficiently long period of dry weather to ensure that grain will not be threshed out damp or tough.

There are other large areas of crop still standing which the owners plan to handle with combines. If an early winter should develop in Alberta, and especially if snow should be heavy, large quantities of grain might have to remain unthreshed until the spring. If, on the other hand, October gives good threshing weather, elevators in Alberta will rapidly fill up.

The actual needs and possibilities with respect to financing farm-stored grain may not be apparent for another month.

Bawlf Grain Deal Opposed

T. C. Jobin Organizing Committee For Preferred Shares

From Our Own Correspondent

WINNIPEG. — Preferred shareholders of the N. Bawlf Grain Co. will be urged not to accept the offer made by the Alberta Pacific Grain Co. at the special meeting called for Oct. 25.

Prime mover in the battle to prevent the sale is T. C. Jobin, Winnipeg broker and shareholder. Mr. Jobin says counsel has been retained and the fight to block the transaction will be waged, not only at the meeting, but before the public utilities commission and before the courts, if necessary.

No dividends have been paid on the $2 millions issue of 6½% preferred stock for the past 10 years. In the spring of the present year R. W. Milner, managing director and president of the Bawlf company, recommended that an offer made by the Alberta Pacific Grain Company for $1 million for the preferred stock be accepted. Owing to some legal difficulties it was impossible to carry out the sale at that time.

Mr. Jobin suggests that in the meantime general conditions have undergone radical changes. He says the sale is no longer in the interests of the preferred shareholders at the $1 million figure. Limitations of storage space in western Canada, he says, indicate a profitable business for the company's elevators, annexes and Fort William terminal for possibly some years.

Organization of a protective committee is to be completed shortly, following which meetings of the shareholders will be held in an effort to crystallize opinion prior to the meeting, he stated.

Arrears of dividends on preferred shares are now more than $60 per share, or $10 more per share than the price being offered by the Alberta Pacific of $50 for each $100 preferred share.

G. S. Mathieson

Heads Exchange

The Winnipeg Grain Exchange announces election of the following officers, council and standing committees for 1940-41 at its annual meeting.

President: Geo. S. Mathieson.
Vice-presidents: S. A. Searle and W. J. Dowler.

Council:

Geo. E. Cathcart
John W. Horn
W. G. Kotchapaw
Douglas Laird
R. W. Milner
K. A. Powell
Alex Christie
Geo. W. P. Heffelfinger
Stanley N. Jones
R. C. Reece
A. C. Reid
John B. Richardson.

Committee of Arbitration:

M. Anderson
John B. Fisher
F. O. Fowler
N. L. Leach
K. A. Powell
H. Sellers
G. R. Severson.

Committee on Appeals:

W. J. Dowler
H. Gauer
C. E. Graham
C. E. Hayles
Douglas Laird
W. A. Murphy
E. S. Parker.

Wheat Prices

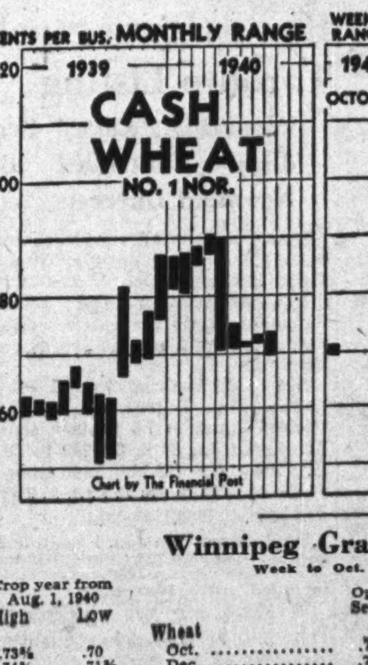


Chart by The Financial Post

Cash Quotations

	For Week Oct. 1 High	For Week Oct. 1 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.71⅜	.69¾	.69¾	.69⅝
1 Nor.	.71⅜	.69¾	.69¾	.69⅝
2 Nor.	.69⅜	.67¾	.67½	.67⅛
3 Nor.	.67¼	.65¼	.65¼	.65
4 Nor.	.64	.61½	.61⅛	.61
5 Wheat	.60½	.58½	.58⅛	.58
6 Wheat	.56½	.55	.55	.55
Feed	.52½	.51	.51	.51
Oats:				
2 C. W.	.32¼	.30¾	.31	.29¾
3 C. W.	.30½	.29⅝	.29½	.28¼
Barley:				
1 Feed	.39¼	.35¾	.35⅛	.33⅞
2 Feed	.38¾	.35¼	.34⅝	.33⅛
Flax:				
1 C. W.	1.21¾	1.16½	1.25	1.19¼
2 C. W.	1.17¾	1.12½	1.20½	1.15¼
Rye:				
2 C. W.	.45⅛	.43⅝	.43⅝	.42⅝

Winnipeg Grain Futures

Week to Oct. 1, 1940

Crop year from Aug. 1, 1940 High	Crop year from Aug. 1, 1940 Low		Open Sept. 25	High for week	Low for week	Close Oct. 1	Close year ago
		Wheat					
.73¾	.70	Oct.	.70	.71⅞	.70	.71	.69¼
.74⅝	.71⅝	Dec.	.71⅝	.73⅛	.71⅝	.72⅝	.71¼
.77⅝	.75⅛	May	.75⅞	.77⅝	.75⅛	.76¾	.75⅞
		Oats					
.31⅛	.27¾	Oct.	.30¼	.31⅛	.30	.31¼	.33
.29⅜	.25⅝	Dec.	.28⅜	.29⅝	.28⅜	.29	.31⅜
.30¼	.26⅝	May	.29⅜	.30¼	.29⅝	.29½	.31½
		Barley					
.39⅞	.31⅛	Oct.	.35⅞	.39⅞	.35⅝	.39⅛	.43⅜
.39⅛	.30½	Dec.	.36⅛	.39⅛	.36	.39¼	.43⅝
.41⅛	.33⅝	May	.38	.41⅛	.37⅝	.40¾	.44¼
		Flax					
1.34½	1.16½	Oct.	1.21	1.22½	1.16½	1.18⅝	1.73
1.34⅛	1.16¼	Dec.	1.18¾	1.19	1.16⅝	1.17¾	1.69½
1.39⅝	1.16	May	1.17¼	1.19¾	1.16⅛	1.19	1.72
		Rye					
.46⅛	.40⅛	Oct.	.43¼	.45½	.43¼	.44⅝	.57¼
.47⅛	.40¾	Dec.	.44⅝	.47⅛	.44⅝	.45⅞	.55⅛
.50	.44⅛	May	.46⅝	.50	.46½	.47¾	.55⅜

THE CANADIAN CONSOLIDATED GRAIN
COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

RELIANCE
GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY CO. INC.
510 PRODUCE EXCHANGE, NEW YORK
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

NORRIS GRAIN COMPANY
LIMITED
Grain Merchants, Shippers and Exporters
709 Grain Exchange, Winnipeg
NEW YORK CHICAGO KANSAS CITY TOLEDO
ST. LOUIS BALTIMORE LONDON LIVERPOOL

PARRISH & HEIMBECKER LIMITED
Incorporated 1909
Grain Receivers
Shippers and Exporters
HEAD OFFICE: WINNIPEG
BRANCH OFFICES:
MONTREAL TORONTO PORT ARTHUR
LETHBRIDGE CALGARY EDMONTON
VANCOUVER
"An old established firm with a reputation for doing business RIGHT"

N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

DEPENDABLE
THE ALBERTA PACIFIC GRAIN Co. LTD
LICENSED AND BONDED WITH THE BOARD OF GRAIN COMMISSIONERS

NATIONAL GRAIN COMPANY
LIMITED
OPERATING
400
COUNTRY ELEVATORS
AND THE
GRAND TRUNK PACIFIC
TERMINAL
FORT WILLIAM — CAPACITY 5,750,000 Bus.
WINNIPEG
REGINA CALGARY EDMONTON

GRAIN MERCHANTS
RECEIVERS · SHIPPERS · EXPORTERS
SINCE 1857
OVER 200 COUNTRY ELEVATORS IN WESTERN CANADA
TERMINAL ELEVATOR AT PORT ARTHUR
Private wires connecting Offices across Canada with New York and Chicago
HEAD OFFICE — WINNIPEG
JAMES RICHARDSON & SONS LIMITED

Week in Mining

Axis Pact May Result In B.C. Copper Smelter

United States Ban on Copper Exports to Japan Now Contemplated Would Make Continued Shipment of Canadian Concentrates Unlikely

With Japan entering the fold of the Axis, erection of a west coast copper smelter to treat copper concentrates at present shipped to Japan, appears much more likely than at any time since outbreak of war.

Washington's immediate reaction to the Axis pact was an embargo on scrap iron and steel for Japan and consideration of a ban on other materials—with copper mentioned specifically. If copper for Japan is banned by the United States, continued Canadian shipments of copper concentrates to the east would seem quite unlikely.

Erection of a copper smelter on the west coast has been under consideration by Granby Consolidated for some time and the latest developments may result in a final decision on this point. With any cutting off of the Japanese market for concentrates, the company might face the necessity of closing down its mine until a smelter should be built unless custom treatment of concentrates could be arranged in the United States.

To forestall a shut-down, Granby may consider it good business to start erection of a copper smelter in the near future. The company's power plant was expanded recently and the power is available for operation of such a smelter. The company has also been conserving its resources to allow erection of a smelter when such a step should be considered desirable.

* * *

New Mines' Minister

The Province of Ontario has a new Minister of Mines. Hon. T. B. McQuesten, Minister of Highways, was sworn in early this week as Minister of Mines, replacing Hon. Paul Leduc, who left Monday night to assume his new position as clerk of the Supreme Court at Ottawa.

While no confirmation has been given, it is reported possible that Mr. McQuesten's appointment may be permanent. With the war interfering with capital expenditures for highways, Mr. McQuesten is expected to have considerable time to devote to his new work. Of course, it is desired to bring a French Canadian into the cabinet and a shift may be made later to allow this.

* * *

Investigate China Clay

War is resulting in a more thorough investigation of possibilities of a domestic supply of many products. In mining, the intensive search for war metals has been most outstanding.

But outside of the war metal field, mining is making important progress. For instance, investigation of the china clay deposits on the Missanabi River north of Cochrane is now being undertaken. Preliminary work carried out over a period of years is stated to have indicated "millions of tons" of china clay with quality as high as any on the continent.

Present plans call for the building of a 35-mile road from the clay deposits to Smokey Falls to effect shipping connections. It is anticipated that some of the clay will be shipped to Hamilton for washing, after which it will be submitted to manufacturers.

* * *

May Use Lignite

Another product of northern Ontario that has been securing attention since of outbreak of war is lignite coal. Burning tests of Ontario lignite in the T. & N. O. plant at North Bay are stated to warrant trying out the low-grade fuel in locomotives in the Ontario-owned railway. Definite results have not yet been determined but tests are stated to have been encouraging.

More extensive tests will be made, according to A. R. Crozier, acting commissioner of gas. Burning operations have been conducted with raw lignite, mixed with Nova Scotia coal, steam-dried lignite and steam-dried with coal. A mix, three of steam-dried to one of coal, appears to give the highest heat-producing and burning efficiency, it is stated. The next step will be erection of a larger unit to dry the coal to give a greater output of dried lignite.

* * *

Money Not Wanted

For years Canada has been welcoming capital from abroad for exploitation of its mining resources, but in one other country at least they are not only trying to discourage investment of capital from abroad but they have actually passed a law against it.

Under new Spanish mining laws, at least 60% of the total capital of mining concerns must be Spanish. The object is to reduce foreign control over mining and other industry. Under the previous law of June, 1938, the proportion of Spanish capital could be less than 60% in certain instances when Spanish capital was not forthcoming. Now apparently, it is considered more desirable to have resources remain undeveloped than to have control held abroad.

* * *

Writes New Book

A new book is scheduled to make its appearance this fall dealing with the development of Canada's mineral resources since the early days before Cobalt. The writer is Doctor J. B. McDougall, who was in the north before the beginning of mining development. An intimate of the Timmins brothers, Dunlap, and others. Dr. McDougall has a first-hand picture of what many mining men believe is one of the greatest romances of all time—the development of Cobalt, Porcupine and Kirkland Lake.

Dr. McDougall is assistant chief inspector of the Ontario Department of Education.

Find 'New Mine' At Pickle Crow

Drift on High Grade Ore in North Area; Face Still in Ore

Rich new ore is being opened up by drifting east at the 750-ft. level of Pickle Crow Gold Mines in what is now known as the "new mine" area to the north, officials inform The Financial Post.

Drifting to date has opened up 175 ft. of ore with the first 145 ft. of this length averaging $31.50 across 53 inches with 563 cars from the drift averaging $34.65 per ton. Assays for the last 30 ft. of drifting were not available but the ore was stated to appear as good as that previously opened up with ore continuing in the face.

Open to East

Possibilities of the new ore shoot are considered important by the management. There is close to 800 ft. of untested ground for drifting to the east before the former Winoga boundary is reached and it is felt that conditions on the Winoga section may also be favorable.

The showing is in a section far to the north of the workings, in fact 4,000 ft. from the shaft. Surface drilling indicated values in this area but considerable work proved necessary to link up results underground. Previous to opening up the new showing, drifting east—all drifting from the main north crosscut has so far been in this direction—showed a length of 100 ft. averaging $6.65 a ton across a width of 124 inches.

Drill Hole Gave Clue

When the face ran out of ore work was carried over to a drill intersection and the ore shoot which is now being drifted on was discovered. Later it is planned to drill from the new zone to see if values can be picked up again ahead of the 100-ft. ore shoot. The 100-ft. shoot—a relatively wide ore section for Pickle Crow although value is low—is comprised really of two shoots and quartz veinlets in between.

Whereas the main Pickle Crow Howell vein is in greenstone formation, the new values are being found of porphyry formation. Drilling indicated several parallel zones altogether and it is thought that there may be other parallel ore shoots opened up in the "new mine" to the north.

Drift One Face

With only one face being drifted on in the northern area, news has not been rapid but with the work in ore, officials anticipate news will now come forward more rapidly. Originally it had been found difficult to correlate results in the northern section of the property but it is now believed that this is a thing of the past.

At the mine proper, plans call for the sinking of the shaft from the 1,950-ft. horizon to a total depth of 3,000 ft. This work will not be pressed, however, as the company still has the last block of five new levels available for mining.

Loss Last Year For Lapa Cadillac

But Working Capital Position Shows Sharp Improvement

While a loss of $12,719 was reported by Lapa Cadillac Gold Mines for the year ended June 30, 1940, this loss was much smaller than the $42,362 loss for the preceding six months of operation.

As at June 30, 1940, net working capital amounted to $22,787 as against an excess of current liabilities over current assets amounting to $69,677 a year previous.

Ore Reserves Decline

Ore reserves totalled 89,396 tons on June 30, 1940, compared with 155,331 tons at the end of the preceding fiscal period. A small tonnage of additional ore is stated available in ore bodies not included. Work along the line of strike and from the mine workings has proved disappointing. An extensive surface drilling programme is now planned to test the Cadillac-Malartic break and a parallel shear zone.

Income and Surplus Account
Years Ended June 30

	1940	*1939
	$	$
Bullion production ...	406,238	162,886
Less: Marketing exp. .	5,666	1,915
Operating exps. ...	309,155	154,304
Admin. expenses ...	12,611	5,407
Operat. profit	78,806	1,260
Less: Depreciation ...	42,845	21,111
Taxes	1,100	......
Development w/o ..	46,973	22,208
Shaft sinking w/o ..	607	303
Loss for period	12,719	42,362
Add: Prev. deficit	42,362	......
Deficit forward	55,081	42,362

*Six months ended June 30, 1939.

No. of Shs. Outstand.	3,921,875	3,921,875
Working Capital		
Current assets	91.172	45,250
Current liabilities	68,385	114,927
Working capital	22,787	*69,677

*Excess of current liabilities over current assets.

Two-Year Rise For Teck Net

Earnings 48 Cents Share For 1940 Compared With 42 Cents

For the second successive year, earnings of Teck-Hughes Gold Mines showed an increase in the fiscal year ended Aug. 31, 1940, the company's preliminary statement for the year reveals.

Earnings for the 1940 period totalled $2,305,512 against $2,023,392 in the 1939 fiscal year and only $1,604,895 for 1938. Earnings were equal to 48 cents a share last year, 42 cents a share in 1939 and 33 cents a share in 1938.

Increased dividends from the company's subsidiary, Lamaque Gold Mines, have been chiefly responsible for the improved earning position of the company. Lamaque dividends totalled $1,12,880 in the fiscal year ended Aug. 31, 1940, against $957,800 in the preceding year. Lamaque had not yet started paying dividends in the 1938 period when Teck earnings were at their low point.

In spite of a reduction in the tonnage of ore milled at the Teck mine at 337,430 tons in 1940 against 388,770 tons the previous year, bullion output showed an increase in value at $3,605,008 against $3,401,059.

The increase in the value of output was chiefly attributable to the increase in the value of gold from $35 to $38.50 an ounce. Like other mining companies, a sharp increase is shown in tax appropriations at $517,759 against $245,509 in the 1939 period.

Taking gold at $35 an ounce, ore reserve shows a moderate decrease at 515,197 tons worth $5,274,581 at Aug. 31, 1940, as compared with 537,549 tons valued at $5,655,188 tons a year previously. Lengths of new ore opened up in 1940 totalled 1,065 ft. averaging $12.58 a ton across a width of 6 ft.

Smelters to Drill Sudbury Ground

Option Taken on Gold Group in Davis Twp., East of Sudbury

From Our Own Correspondent

SUDBURY. — A group of gold mining claims in Davis twp., 25 miles northeast of Sudbury, is to receive thorough examination by one of Canada's biggest companies.

This week preliminary work was started by Consolidated Mining and Smelting Co. on a diamond drilling programme on the properties known as the Gainey-MacLeod group, consisting of 18 claims, one quarter mile north of Ess station, on the C.N.R. Capreol-North Bay line. An option agreement has been completed with the Sudbury owners.

A number of the claims involved were staked in 1914 by "Joe" Gainey, of Sudbury, and others have been added to the group.

Has Gold Showing

The existence of a gold showing on the ground has been known for some years and recent sampling indicated a trenched length of 60 ft. which ran about 0.5 oz. gold to the ton over a width of 4 ft., according to Mr. Gainey. Two shallow holes were drilled some years ago, and the core appeared interesting, but records were not kept. Now it is the intention to drill the "main show" and along the strike of the formation.

The "Main show" consists of a vein carrying massive arsenical pyrite, exposed for 80 ft. showing a width of 4 to 7 ft. What is believed to be an extension of this vein has been picked up to the west across a swamp. Mr. Gainey states that values ranging from $18 to $50 per ton have been obtained by mining engineers who have sampled the showings.

Calmont Oils Has Loss Last Year

But Interest in New Wells Being Extended By Further Drilling

Due chiefly to a decline in revenue from equipment rentals, a net loss of $7,159 was experienced by Calmont Oils in the year ended May 31, 1940, compared with $11,473 profit the previous year.

During last year Calmont-Northwest Co. No. 1 well was completed as a good producer in central Turner Valley and agreements were completed for the drilling of six further wells on Calmont's sub-leased acreage there. Calmont-Northwest No 2 well is now being drilled.

As at May 31, 1940, interests were held in the following: Turner Valley Royalties, B. & B. Royalties, Sovereign Royalties, Vulcan-Brown Petroleums No. 1, Calwin Royalties, Home Oil, Davies No. 5, Rainy Hills Syndicate, Royal Crest Petroleums No. 1, Three Point Petroleums No. 1, Commoil, Command Oils, Barsac Royalties No. 1, D. & D. Royalties, Spindletop Oils and Alberta Oil Incomes No. 2.

Investments showed a decrease in market value due to the market situation and disposal of certain royalties, it is stated.

Profit and Loss Account
Years Ended May 31

	1940	1939
	$	$
Income from invests. .	4,679	6,580
Equipment rental	37,845	84,194
Royalties' income	22,669	33,331
House rent	1,142	1,028
Miscellaneous	1,356	4,785
Total revenue	67,691	129,918
Less: Salaries	9,550	7,800
Directors' fees	440	380
Other expenses	8,364	16,982
Income taxes	......	5,200
Other taxes	4,670	3,164
Lease rentals	2,088	1,609
Depreciation	33,628	69.533
Inventory adjust. ..	4,852	12,720
Write-offs	559	1,057
Legal fees	10,699	†
Net profit & surplus .	*7,159	11,473
Less: Prev. deficit ...	111,373	114,098
Investments w/o ..	3,677	9,388
Add: Accts. w/o	......	640
Deficit forward	122,209	111,373

*Loss or deficit.
†Not shown separately.

Earnings per Share and Dividend Record:		
Earned	d$0.003	$0.005
None paid.		
No. of Shs. Outstand.	2,248,931	2,147,832
Working Capital		
Current assets	103,380	91,969
Current liabilities	33,938	11,534
Working capital	69,442	80,435

Week in Oils

Test Sarcee Reserve

From Our Own Correspondent

CALGARY. — Well-known geologists have frequently in recent years expressed the opinion that the Madison limestone body from which Turner Valley produces crude oil and gas extends far to the northwest of the presently known productive area.

This body of lime, which apparently plunges to great depths north of North Turner Valley producing wells, is believed to rise in the vicinity of the Sarcee Indian Reserve, 12 or so miles northwest of present producing wells, and again in the Jumping Pound area, a further 8 to 10 miles north. Where this body of lime lies above the elevation of the known water-oil line in Turner Valley, it is said, there is every reason to believe crude oil will be found.

Because of this belief, arrangements have been made for the drilling of an important test on the Sarcee Reserve, at a location where geologists believe the limestone body will be reached at from 6,300 to 7,000 ft. far above the known water-oil line of Turner Valley. The well, to be known as Inland-Sarcee No. 1, will be drilled immediately in L.S.D. 2 4-23-4w5.

* * *

Selected By Sanderson

The well site was selected by Dr. J. O. G. Sanderson, well-known California geologist, whose surveys and reports on the northwest extension of Turner Valley were responsible for proving up the rich oil producing North Turner Valley. Dr. Sanderson thoroughly surveyed the Sarcee Reserve area for Highwood-Sarcee Oils. In a recent report to the Inland Development Co., which is sponsoring the new drill test, Dr. Sanderson places the depth to the limestone at the Inland site at from 6,300 to 7,000 ft.

The Sarcee Reserve area was also recently reported on favorably by Dr. G. S. Hume, chief of the Dominion Geological Survey. In Dr. Hume's opinion a continuation of the Turner Valley limestone body extends to the northwest through the Sarcee Reserve and the Jumping Pound area. His cross-sections show this body of lime lying at reasonable depths, well above the known Turner Valley water-oil line, in the vicinity of the new Inland-Sarcee location and to the west of the Brown Consolidated Jumping Pound test, which was abandoned after missing the limestone last year.

* * *

Now Building Road

A road is now being built into the location, and work on foundations and derrick suitable for both cable and rotary rig will get under way shortly. The well will be carried to 1,500 to 2,000 ft. with cable tools, after which a change to rotary equipment will be made.

Inland Development Co. holds 1,920 acres adjoining the well on sublease from Highwood Sarcee Oil Co. The block is part of Highwood-Sarcee's 18,000 acres on the west half of the reserve. Gross royalties of 20% are payable on the Inland well, including 10% to the Department of Indian Affairs and 10% to others. Drilling is being financed by the issue of 55% preferred net royalty, each 1% preferred to $3,750. The issue will net $165,000 to cover drill costs; 23½% preferred has already been subscribed for (largely, it is understood, by the Inland and Highwood Sarcee companies) to finance initial operations.

* * *

Steveville Drilling

Anglo - Canadian Oil Co. announces its No. 2 well in the Steveville area—a big gas producer capped in May, 1939—will be carried deeper to test the Devonian limestone.

The well was carried in 1939 to the top of the Madison limestone at 3,262 ft., at which point a gas flow of over 11 million cu. ft. daily and considerable oil and water in emulsion was encountered. Since that time Standard Oil Princess No. 1 well, seven miles west of Anglo-Steveville No. 2, drilled through the Madison and underlying Devonian limestone, encountering favorable conditions, although various difficulties made it impossible to obtain commercial oil production.

Standard Oil's Princess No. 2 well, located about midway between Princess 1 and Anglo 2, is now rigging up heavy-duty rotary equipment, and is scheduled to spud shortly. With both Standard of B. C. and Anglo-Canadian backing their confidence in the Steveville area with action, the oil industry's hopes that an important prairie oilfield will soon be proved are running high.

* * *

Drop Brazeau Test

Decision to abandon the Home Oil's test on the Brazeau structure was reached at a meeting of directors Sept. 27. The well is bottomed at 8,713 ft. Faulting at this depth precluded the possibility of reaching the Madison lime at reasonable depth at the location. For several weeks extensive tests of oil and gas horizons found between 8,160 and 8,550 ft. were made. While a heavy gas volume was evident, the quantity of light crude oil and naphtha which could be produced from the sands was considered too small for commercial production. It is generally believed that Home will do further drilling in the Brazeau field, but no official announcement regarding this is yet available.

* * *

Sheppard Drilling

Drilling was resumed last week at the A. P. Con-McDougall Segur test on Sheppard Creek, which encountered the Madison lime at 5,483 ft. Early this week drilling was proceeding below 5,538 ft., 55 ft. in the lime. At that time the cable bit had not yet entered a porous horizon.

* * *

Drilling to the top of the lower cretaceous oil sand at 1,817 ft. in only 30½ hours drilling time, the Western Drilling Co. has set another new speed record for Alberta oilfields in drilling the Richardson No. 1 well in the Vermilion field.

Spudded in Sept. 26 the well was standing with production string of casing set by Sept. 29. Hole was carried eight feet into the oil sand to 1,827 ft., cores recovered showing good saturation of heavy gravity crude oil. Testing will get under way in a few days. The well is an east offset of the discovery Vermilion producer, Battleview No. 2.

* * *

Turner Completions

In Turner Valley three more wells have been completed, three more have been spudded in or resumed drilling, and two more have reached the Madison limestone objective. Completed were Alberta Oil Incomes No. 2, in the far north end of the field, and Okalta Oils No. 9 and Royalite No. 52, on the central flank. All three wells appear to have prospects of substantial production. Acid treatment was under way this week.

Spudded in were Anglo Canadian-Phillips No. 2, on the northerly part of the central flank, and Okalta Royalties No. 10, on the central flank offsetting newly completed Okalta 9 to the south. Resumed was Lion-Sunray No. 1, carried to 3,000 ft. last year with cable, and now drilling again with rotary equipment.

Wells which reached the lime in the past week are central flank test Arrow Royalties No. 1, which made the contact at 7,895 ft., and far south end test Northwest-Hudson Bay No. 4, which topped the Madison at 7,935 ft.

Gates Lake Gold Showing Attracts Attention

Following the announcement a week ago of a new discovery of gold in the Gates Lake area, about 10 miles east of Straw Lake Beach Gold Mines, considerable staking has taken place with a number of engineers arriving in the area.

The original find was made by Charlie Chellew and Frank Hurst working for Goldale Mines and Birch Bay Gold Mines who participated in the venture equally.

Rea and Roche Stake

Recent stakings include nine claims by John Rea and Peter Roche of Roche Gold Mines, and six claims by Norman Isberg.

D. K. Burke, representing Sylvanite Gold Mines, paid a visit to the new section and H. W. Ball and C. F. Rice, representing Wright-Hargreaves, left for the discovery early this week. Dr. Matheson, representing British Columbia interests, has also been a visitor in the area.

Stake Toward "Beach"

A great deal of staking is reported to have taken place in the 10-mile stretch between the Goldale-Birch Bay find and Straw Lake Beach Gold Mines.

The original gold discovery is reported as a shear zone with a length of 3,000 ft. with a width of 40 to 50 ft. Only very limited work has so far been done but gold can be panned readily from oxidized schist which extends across the full width. Channel sampling below the oxidized material has not yet been started so no data is available on the average value for the showing.

Berens River Stock Toronto Listing

Favorable Lake Producer Controlled By Newmont Interests

Shares of Berens River Mines were called for trading on the Toronto Stock Exchange Oct. 1, 1940 with ticker abbreviation BER. Listing statement shows the entire authorized capital of 2 million shares outstanding.

Net profit realized from Sept. 8, 1939 to Mar. 7, 1940, amounted to $152,483 equal to 7.6 cents a share. Earnings from Sept. 8, 1939 to Dec. 31, 1939 were $99,196, indicating a profit of $53,387 for the period Jan. 1 to Mar. 7, 1940.

Production from Jan. 1 to June 30, 1940 totalled $680,235 from 40,078 tons of ore with certain 1939 concentrates included in the 1940 totals.

In discussing ore reserves, in Feb., 1940, M. D. Banghart, manager, stated.

"Before the decision was reached to equip the property with a milling plant, there had been estimated to the 560-ft. horizon, 318,000 tons of probable ore having an average width, after dilution, of 7.8 ft. and containing 0.31 oz. of gold and 16.4 oz. of silver per ton. From Sept. 8 to Dec. 31, 1939, a total of 19,217 tons of ore were mined from representative ore bodies, with average assay of .33 oz. of gold and 14.1 oz. silver per ton. Sufficient work has not yet been done to 'block out' the above probable ore but from all indications to date it is reasonable to assume that the original estimate was conservative and that approximately 300,000 tons of ore as at Jan. 1, 1940 would be mined from known ore shoots to the 560-ft. horizon."

Franco Gets Extension On Saskatoon Franchise

Completion dates for the gas distributing facilities of Northern Natural Gas Co., wholly-owned subsidiary of Franco Oil, in Saskatoon, have been extended a full year to Oct. 1, 1941, according to W. F. Thorn, president of Franco Oils.

A pipe line from the Battleview-Vermilion field to Saskatoon was to have been financed by sale of bonds to United States' interests, but the exchange situation prevented this from being completed, it is stated. Cost of the project was estimated at $5 millions of which $3 millions would have been for purchase of pipe alone. Drilling of 10 new wells is expected to start in the near future.

TOBURN OUTPUT UP

An increase in production was shown by Toburn Mines in August with output for the month amounting to $119,181 from 5,225 tons of ore treated for an average recovery of $22.81 a ton. In the preceding month, $112,458 was recovered from 5,150 tons, an average of $21.84 a ton.

B. C. Alarmed By Jap Move

Embargo on Canadian Metal Sales Raises Some Ticklish Problems

From Our Own Correspondent

VANCOUVER.—Strained relations with Japan as a result of the latter's pro-Axis policies have brought new emphasis on the delicate position which Canada occupies in connection with the export of copper and other war materials.

The Canadian Government has been asked to "co-operate" with the United States in applying an absolute embargo on scrap iron and other war materials.

Actually, there has been a ban on scrap shipments from British Columbia ports to Japan almost ever since war began, although it is not based on as definite language as that used by the Washington authorities. Scrap iron shipments are based in Canada on the permit system, and permits have been refused for several months. In effect this is probably as good as an outright embargo, which the City of Vancouver and other interests are urging.

Copper Complicated

The copper situation is more complicated. Granby Consolidated Mining & Smelting Company ships its entire output to Japan under a long-term contract. It is also possible that some of Britannia Mining & Smelting (Howe Sound) Co. copper output goes to Japan, too, as its concentrates are sold to the American Smelting & Refining Co. for smelting in Tacoma, Wash., and from there enters the world market.

While there is an understanding with the Canadian Government that the Mitsui interests who buy Granby copper will not permit its re-export to Germany or Italy, now that Japan has joined the Axis the value of this agreement is questioned. At any rate, the B. C. copper merely replaces other copper that was shipped from Japan to enemy destination.

Of Doubtful Effect

The copper shipped by British Columbia mines might conceivably be replaced by copper from the United States or South American countries, in which event embargo action by Canada would not be effective in thwarting Japan's military designs. It would merely result in curtailing production or shutting down operations at mines which are giving employment to some 5,000 Canadian miners and which are bringing in a large amount of valued foreign exchange inasmuch as the price paid for B. C. copper is in U. S. dollars.

Granby is preparing to build its own smelter, in which event B. C. would not be so restricted in its marketing prospects. However, B. C. copper is of low grade and it is considered doubtful whether it could be sold to the British Government on a satisfactory price basis. Chief hope appears to lie in the prospect of Canadian war industries providing a new outlet for B. C. copper.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.
A. E. OSLER & COMPANY
Established 1886 Members The Toronto Stock Exchange
Osler Bldg., 11 Jordan St. Phone ADelaide 2431

Lamaque Quarter Profit Lower

Increased taxes and lower recovery resulted in smaller earnings for Lamaque Gold Mines in the three months ended Aug. 31, 1940, with net profit for the period amounting to $387,814 compared with $477,613 in the preceding quarter.

Earnings per share were equal to 13 cents a share in the August quarter compared with 16 cents a share in the June quarter.

Production amounted to $1,196,347 in the three months ended August 31, 1940, from the milling of 111,890 tons of ore for an average recovery of $10.69 a ton. This compared with $1,237,101 output from 112,091 tons and $11.04 a ton recovery the preceding three months.

Ore Reserves Higher

Ore reserves showed increases both in tonnage and total value on Aug. 31, 1940, compared with three months before. A total of 890,307 tons of ore was in reserve on Aug. 31 with a total content of 5,111,816 dwt. as against 878,793 tons with a content of 5,066,180 dwt. on May 31. A pennyweight is equivalent to $1.925 with gold at $38.50 an ounce.

August production was higher than either June or July production, amounting to $411,945 from 37,625 tons of ore milled.

GREY IRON CASTINGS
Our engineering staff, plant and equipment are adequate for large, continuous output. Up-to-date Machine Shop. Specialists in Sheet Metal Work. Write us about your needs.
Geo. White & Sons Co., Ltd.
LONDON, ONT.

Designers and Manufacturers of
CONVEYING AND ELEVATING EQUIPMENT
MODERN POWER TRANSMISSION EQUIPMENT
COAL AND ORE HANDLING BRIDGES
WELDED PROCESSING EQUIPMENT
STEAM GENERATING EQUIPMENT
BALDWIN-SOUTHWARK HYDRAULIC PRESSES
•
We Invite Your Inquiries
UNITED STEEL CORPORATION
LIMITED
TORONTO . . WELLAND DODGE MANUFACTURING DIVISION CANADIAN MEAD MORRISON MONTREAL . . WINNIPEG

MINING
Geared for Action!

DANGER HIGH EXP
POLAR
FORCITE GELATIN
C-I-L
C-I-L 40%

TODAY urgent demands for enormously increased production are being made upon our Canadian mines because the need for essential minerals is more vital than ever before. With its great resources in ore and in modern plant facilities, Canada's mining industry is "geared for action".

Thanks to a far-sighted policy of efficient development it will be able to satisfy all the demands that it may be called upon to meet.

A ready supply of dependable and efficient explosives is of the utmost importance at the present time. With its widespread plant facilities and its years of experience in the manufacture of explosives, C-I-L is in a position to meet any demand and thereby to contribute towards keeping Canada's mining industry "geared for action".

CANADIAN INDUSTRIES LIMITED
EXPLOSIVES DIVISION
HEAD OFFICE C-I-L MONTREAL
Branches and Sales Offices Throughout Canada

Savant Lake Attracts Many

Prospectors Find New Area Very Attractive and Stake Wide-area

By GORDON M. GRANT
Staff Writer, The Financial Post

"Perhaps the most important gold find in years," is what mining men are saying of gold discoveries at Savant Lake, Canada's newest gold camp located 60 miles east of Sioux Lookout in northwestern Ontario.

So far work has not progressed sufficiently to tell what the newly-opened showings mean. Information so far could mean either one or more new mines or just another "flash in the pan." Only weeks of patient slugging—getting below the overburden—will show true possibilities.

But in spite of the present early stage of development, men who are wise in mining ways are taking a great interest in the camp. Before Savant Lake came along, money for prospecting seemed very scarce—almost non-existent. In recent weeks, however, prospectors have been swarming around Savant Lake and have staked ground for at least five miles on either side of the main showing. Possibilities have been bright enough to untie many purse strings, giving the prospector a break.

Northern Canada Mines men made the first discovery at Savant Lake and staked a property extending nearly two miles on strike before others arrived on the scene. The strike is described as roughly "east of north and south of west"

Make Second Find

After making the first discovery, a second find was made a half mile west by the company's prospectors. The original find is indicated by surface outcrops for a length of 2,000 ft.

Engineers state the showings are such that it would hardly be correct to say that it had been traced for that distance as yet. Individual character samples have given encouraging results with assays up to 3 oz. a ton. Insufficient work has been done to allow any systematic channel sampling. Work indicates vein widths of 2 to 3 ft. with widths up to 12 ft. in places.

The second find has been proved for a length of 75 ft. with indications of its extension northeast and southwest. Visible gold is reported in this vein.

Crew of 15 Men

With 15 men at work, Northern Canada is making rapid progress with surface exploration. Prospecting is being done for other showings and trenches are being put down to fill in the gaps on present showings. When a number of trenches have been completed, it will be possible to get a rough idea as to dimensions and values. Diamond drilling will be the next step to determine vertical continuity if surface values meet expectations.

Cyril Knight Find?

Reports in financial circles this week state that Cyril Knight Prospecting Co. had made a discovery. With Cyril Knight himself at the property, confirmation of this story could not readily be obtained.

Cyril Knight men were the first into the area after the strike by Northern Canada prospectors; they staked properties adjoining Northern Canada both to the northwest and southwest on what many consider the general line of strike. In other words, the Cyril Knight interests have perhaps some of the best ground available.

Bending and Folding

Of course, it is possible ideas on strike may be incorrect. There is considerable bending and folding of formation in the area, and direction may be other than that now thought. This is one factor making for wide-spread staking.

A large number of the big mining companies have acquired properties in the field. A man out for Wright-Hargreaves staked a group of nine claims adjoining northeast of the Cyril Knight northern group. Mining Corp. of Canada has acquired a 90% interest in the McNamara group adjoining to the west of the Northern Canada discovery group.

Mining Corp. Chances

It is possible that the strike may be eventually traced into the Mining Corp. ground. The latest Northern Canada find shows there are chances of parallel showings and this improves the value of the Mining Corp. location considerably.

Besides its McNamara group, Mining Corp. has another group of claims further west. After viewing the Northern Canada find, a Mining Corp. engineer called in two parties prospecting in other areas and it was one of these parties that staked this group of claims. It is not known if the other party has yet located property.

O'Brien Gets Ground

Between the second Mining Corp. property and the Cyril Knight southwest group, O'Brien Gold Mines and Highridge Mining Co. have secured ground. Highridge also has ground adjoining northwest of the Northern Canada discovery property.

On the Moneta ground, southwest of Cyril Knight, men are now at work surface prospecting. Some diorite plugs have been located that may prove important. Dwyer and Wilson were the prospectors staking the Moneta ground.

St. Anthony Gold Mines has a party in the area and at least one group of claims has been staked adjoining the Moneta claims. From present indications the St. Anthony men believe the property is on strike.

Coniagas Stakes Many Claims

Coniagas was one of the earlier companies in the field with two parties staking a large number of claims, largely in the western part of the camp. With its men active in the field, company officials at head office do not know yet exactly what their field men have secured.

Many of the smaller companies which still have money in their treasuries have also staked locations. Peter Roche of Roche Gold Mines has staked claims and so has Joe Walker of Walker Patricia Gold Mines. The prospector working for himself in the field, however, is now a rare thing. There just aren't any of them in the bush anymore, one man told The Post.

Compass Acts Up

With the compass useless for determining direction due to iron formation of the district, staking of claims has been partly a matter of guesswork.

It will likely be some time before the recorder gets everything straightened away.

At least one man found he had staked into another man's property when he thought he had secured a good location. In several cases boundaries have been found to overlap. Sun and stars have been chief guides to the compass points.

One mining company president bitterly regrets he did not send his party in by airplane rather than canoe with kicker. Although he learned of the discovery soon after the find was first made, others managed to stake ahead and he secured only what he now considers second best ground.

Iron Favorable Factor

While the iron formation has caused difficulty in determining direction, it is considered a favorable factor as far as finding of gold ore bodies is concerned for gold is very often associated with iron.

It was this fact that led to the Northern Canada discovery of gold by the Mosher-Garvey team. Oxidized earth at the base of an uprooted cedar tree showed gold after panning, suggesting that there might be a gold deposit in the area. A relatively short search and the first Northern Canada discovery had been made on a near-by knoll. Both Mosher and Garvey have other discoveries to their record.

Earlier Work

Northern Canada had another Savant Lake property staked on a previous gold discovery about three miles to the south and slightly east.

Where old finds in the Savant Lake area were in greenstone formation, however, new finds are in sedimentary formation under entirely different conditions.

So far crews have been busy staking claims with only a minimum of prospecting done. People have been coming into the area too rapidly to take the time to prospect for surface showings. There has been the inevitable attempt to locate claims on strike but outside of that, science has played a small part in staking.

It is possible that many new showings will be uncovered over the next few weeks before winter sets in, if the area turns out as mining men seem to think it will. Companies that just had one or two prospectors in the field have now placed crews on properties for surface exploration.

Savant Lake is convenient for mine-making from the transportation angle. The area is just 16 miles from Savant station on the C.N.R. and can be reached in four hours by kicker. If the area turns out to possess one or more mines, it will be no great problem to take in equipment for underground work.

Mining Concentrates

Afton Mines has had its shares removed from trading on the Toronto Stock Exchange at request of the company. The company has distributed its chief asset, shares of New Golden Rose Mines and its search for a new property of merit has not been successful.

• • •

Albany River Gold Mines has opened up a new surface showing to the north which is believed to line up with the north zone at Pickle Crow Gold Mines adjoining. High values are stated to have been secured with one length of 150 ft. returning values of an ounce a ton.

• • •

Cariboo Gold Quartz Mining Co. is making good progress in its current development programme, according to Dr. W. B. Burnett, who visited the property recently. The 20-main crosscut being put out from No. 1 shaft under Jack of Clubs Lake to explore the company's northwestern claims adjoining Island Mountain is out approximately 1,500 ft. with around three quarters of a mile to go to reach its objective. A 3-ft. vein was cut recently in the 15-main crosscut which is the southeasterly drive along the Barkerville gold belt. Preliminary sampling returned an average value of 0.454 oz. per ton. The vein has been opened up for only 20 ft. each side of the crosscut but it is stated to show every indication of making an important addition to ore reserves.

• • •

United Gold Equities realized a net profit of $33,329 equal to 16.8 cents a share in the year ended June 30, 1940, compared with $23,598 or 11.7 cents a share the preceding fiscal year. As at June 30, 1940, investments with book value of $464,803 had a market value of $296,677 but by Aug. 31, 1940, securities had appreciated by some $64,000. The investment portfolio as at June 30, 1940, shows 14.81% of the company's assets invested in Noranda Mines; 13.46% in Bulolo Gold Dredging; 10.95% in Dome Mines; 9.86% in McIntyre Porcupine Mines, and 7.6% in Bralorne Mines.

• • •

Homeward Mines is reported erecting a mill of 35 tons capacity at its property in the Zeballos area on the west coast of Vancouver Island. This will make the fifth producer in the area.

• • •

Kerr-Lake Mines profit for the year ended Aug. 31, 1940, amounted to $71,286 or 11.9 cents a share compared with $31,000 or 5.2 cents a share the preceding fiscal year. Working capital was slightly lower at $42,119 on Aug. 31, 1940, compared with $58,862 a year previous. Consolidated profit of two wholly owned subsidiaries, Kerr Lake Mining Co. and K. L. Corporation, was $2,580 in the 1940 period. Kerr Lake Mining Co. had reported a $5,076 profit the previous year. Dividends received by Kerr Lake Mines in the 1940 fiscal year from Rimu Gold Dredging were $116,427 in U.S. funds.

• • •

Osoyoos Mines may do some further work on its property in British Columbia, it is reported. Exploration was carried on recently but milling operations have been suspended for several months.

• • •

Powell Rouyn Gold Mines will pour its first gold brick about October 15. It is anticipated that about 450 tons of ore daily will continue to be shipped to the Noranda smelter for the balance of the year while the company's own mill is expected to treat in the neighborhood of 350 to 400 tons daily.

• • •

San Antonio Gold Mines has declared its regular half-yearly dividend of seven cents a share plus an extra of three cents a share, both payable November 5 to shareholders of record October 21. Similar dividends were paid in April this year.

• • •

Slave Lake shareholders have approved a by-law permitting redemption of bonds at a premium of 5% on maturity. A previous by-law had allowed redemption of bonds at this premium until maturity. A by-law governing bank borrowing has also been approved by shareholders although it is not planned to do any bank borrowing at the present time. A crew of 40 men is at work on the property with 300 tons of machinery and equipment already delivered. Foundations are now being poured for the mill and, barring any unforeseen contingencies, it is anticipated production will commence by the year end. The mill will have a capacity of 50 tons daily, recovering tungsten and gold values.

• • •

Silbak Premier Mines has declared its regular quarterly dividend of four cents a share payable October 25 to shareholders of record October 5.

• • •

Sylvanite Gold Mines dropped its option on the property of Bilmac Gold Mines when results were not sufficiently encouraging to proceed. Bilmac is now endeavoring to arrange financing in other quarters.

• • •

Ymir Yankee Girl Gold Mines gross production for August amounted to $33,600 from treatment of 4,648 tons of ore, net smelter returns for the month being $28,620. This compares with $33,736 gross in July from 4,276 tons of ore with net returns of $30,219. Gross production for the fiscal year ended Aug. 31, 1940, was $447,449 against $481,847 the preceding year.

Mining Enquiries

Moneta Porcupine

What is the present position of Moneta Porcupine Gold Mines? What does the decline in the price of the company's shares suggest?

—

Moneta Porcupine Gold Mines has so far been unsuccessful in the opening up of ore at depth and mining operations will continue on a salvage basis unless some new ore find is made. Exploration is being carried on in the more outlying sections of the property and there is always the chance that a new discovery will be made.

Ore reserves reported at the end of last March were sufficient for two years' milling operations. Profits are running at the rate of 20 cents a share per annum and working capital on hand was equal to 32 cents a share on March 31, 1940. Realizing that the Moneta mine may have a limited life, the management is on the lookout for new properties. Two prospectors in the employ of the company recently staked a group in the Savant Lake area.

Naybob Gold

Shares of Naybob Gold Mines have been active recently. Does there seem to be any change in the situation at the property to account for this?

—

Naybob Gold Mines has been enjoying a steady increase in production due to an improvement in the mine position and output for August amounted to over $58,000. Although nothing official is available, a source in close touch with the situation reports that production for September was close to the August record.

Due to operating profits realized in the fiscal year ended Aug. 31, 1940, and proceeds from the company's financing agreement, the working capital position of the company has been greatly improved, with net cash assets of approximately $175,000 at the end of August. It is understood that present plans call for the payment of a dividend of around 2 cents a share around the end of this year.

Instead of spending present profits on a large exploration programme, officials expect to pay dividends at regular intervals, so that shareholders will receive some return on their investment.

Teck-Hughes

Have earnings of Teck-Hughes Gold Mines been increasing or decreasing recently? What is the current outlook for the Teck mine?

—

Dividends from Lamaque Gold Mines resulted in an increase in net profits of Teck-Hughes Gold Mines to 42 cents a share in 1939 from the 33 cents reported in 1938. In spite of lower production from the Teck mine in the latest fiscal year, profits have been kept up with earnings for the first nine months equal to 35 cents a share. At the present time about one third of earnings is derived from Lamaque dividends.

Although it has been recognized that the future productive life of the Teck mine is limited, new discoveries of ore have resulted in ore reserves decreasing only gradually and the supply reported at the end of last May was still sufficient to keep the mill turning 1½ years. Routine development, of course, is expected to give much additional ore to that now in reserve.

Without counting its investment in Lamaque Gold Mines, Teck-Hughes Gold Mines reported working capital at over $3 millions last August. With this amount of money, the company is in a position to finance any promising new mining ventures that come to hand.

Bralorne Mines

I am thinking of making an investment in Bralorne Mines. Will you review the situation as regards earnings, ore reserves and future prospects?

—

Production of Bralorne Mines so far in 1940 has been on a somewhat higher level than in 1939 when the company was able to report net profit equal to $1.49 a share. The company has been fortunate in being able to gradually increase its earnings, the 1939 profit comparing with $1.41 a share in 1938 and 99 cents a share in 1937. The increase in production this year suggests a further rise in profits is quite possible.

Ore reserves have been steadily increasing in recent years with the company reporting nearly four years ore in reserve at the end of 1939. Exploration on the 14th level—which is the deepest level fairly well opened up—has shown results approaching those of the 6th level in quantity of ore and with a much higher gold content. The 6th level was previously the best level in the mine. During the next few years, development will centre on the opening up of new levels from 15 to 20—which has already been started.

Early this year the company put a subsidiary, Summit King Mines, in production and it is anticipated that this company will bring in additional revenue. Investigation of new properties is being carried on from time to time.

Staking Heavy At Bird River

God's Lake, Central Manitoba and Ventures Acquire Ground

From Our Own Correspondent

WINNIPEG. — God's Lake Gold Mines, Central Manitoba Mines and Ventures Ltd. have been busy in the southeastern section of Manitoba for the past two months, staking a large number of claims.

Rather more than 200 have now been staked and recorded in the Bird River district and about seven prospectors are now engaged in prospecting them.

Tin in Area

In the pegmatite dikes of the district occurrences of tin are quite common and over a number of years a good deal of development work and prospecting has been done in search of this metal.

The companies mentioned, while not satisfied with the occurrences found in the past, felt there might be a chance of finding veins carrying tin ore. They considered, however, that in order to make such a search feasible, it was necessary to have a sufficient area of ground on which to work without interruption, hence the staking and registration of so many claims.

No Commercial Finds

It is said that discoveries so far made would not be classed as commercial. The prospectors, however, will be kept at work at least until snow flies.

Charles Libert, well-known prospector, recently drowned in the Bird River, was one of a party engaged in this work. Libert has spent many years in the district and knew the ground well. He was drowned when returning from Lac du Bonnet, where he had been outfitting, to the Bird River ground.

Prepare to Mine Ore At Sussex Manganese

With all the necessary equipment shipped into the property, Sussex Manganese Mining Co. plans to commence shipments of ore within 60 days, N. E. Gough, president, informs The Financial Post.

Mining is planned by open cut at a spot on the side of a 700-ft. hill where previous operators took out 400 tons of ore using oxen. Length of the vein mined was 65 ft. and width 6 ft. Mining was carried out to a depth of 12 ft. by primitive methods. Assays, from government reports, showed a content of 52.88% to 57.37% manganese.

The ore will be crushed at the property to give a furnace size material while high-grade chemical ore will be ground and sent out in bags, it is stated. With manganese ore with a 50% content selling around $42, the management believes profitable shipments can be made.

Ontario Gold Output Hits New High During August

A new high value for output of Ontario gold mines was established in August with production from 62 producing mines totalling 271,562 ounces of gold and 44,767 ounces of silver worth a total of $10,470,841.

This represented an increase in value of output of nearly $30,000 over July output value of $10,441,969 estimated from 270,700 ounces of gold and 52,702 ounces of silver.

One New Producer

One new producer was reported for Ontario during the month of August—Devon Gold Mines. Its mill has a capacity of 75 tons daily. Production was suspended at the Cordova mine in southeastern Ontario during the month.

Production from the Porcupine area showed a slight decline in August due to treatment of a lower grade of ore, amounting to $4,592,354 from 482,921 tons of ore compared with $4,712,774 from 476,128 tons of ore in the preceding month. While Porcupine production was decreasing, Kirkland Lake output was increasing slightly, amounting to $3,459,000 from 252,231 tons of ore as against $3,444,504 from 251,270 tons for July.

Matachewan and northwestern Ontario also reported increases in their output of gold in August over the preceding month.

Gold Worth More

Production of gold in August showed a more than 10% increase in value over August 1939, as August 1940, output was worth $10,470,841, obtained from milling of 992,108 tons of ore. In August, 1939, output value had been $9,090,395 with 941,415 tons of ore milled. The increase in value of output, of course, was much greater than the increase in volume as gold was being sold at $38.50 an ounce Canadian funds in 1940 as against only $35 in August last year.

Of Ontario's 62 gold producers, 18 are located in Ontario, 11 in Kirkland Lake, 12 in Thunder Bay, 12 in the Patricia district and three each in Larder Lake and Matachewan.

Straw Lake Beach Resumes Milling

Drifting In Ore to East at 700-ft. Level is Now Under Way

Milling was resumed at Straw Lake Beach Gold Mines September 17 with a close to capacity tonnage of ore now going to the 60-ton mill, The Financial Post is informed. Production for the first month will likely be low due to tying up of gold in the mill circuit.

Drifting is now opening up on the 700-ft. level, the downward extension of the 360-ft. ore shoot drifted on at the 575-ft. level. About 50 ft. of ore has so far been opened up. Assays are not yet available but the ore is stated to be 2 to 3 ft. wide with some of it already going to the mill. One good stope has already been opened up. Drifting to the west at the 700-ft. level shows visible gold but the vein is too narrow to make commercial grade over a mining width.

575-ft. Level Best

The 575-ft. level has proved the best level so far opened up in the mine with a total of 614 ft. disclosed before drifting was suspended to allow a concentration of effort on preparation of stopes for delivery of ore to the mill. Assays for the latest 140 ft. of ore are not yet available.

The main east ore shoot now has a length of 360 ft. of which the first 130 ft. averaged $20.51 a ton over 13 inches, followed by 90 ft. averaging $16.38 a ton across 28 inches, the company reports. The last 140 ft. of ore is stated to look as good as the 90-ft. length.

Mill feed is being drawn from both the 575- and 700-ft. level, from old stopes on the upper levels, and from the surface dump.

Central Pat. Net Up After Taxes

Although taxes were more than double, earnings of Central Patricia Gold Mines showed a slight increase in the first half of 1940 over the corresponding period of last year. Net profit amounted to $303,958, compared with $286,269, with earnings 12.2 cents a share against 11.4 cents last year.

Taxes for the first half of this year totalled $107,525 against $47,650 the same period last year. The appropriation for depreciation and deferred development was $110,997 this year against $95,602 the first half of 1939.

San Antonio Boost Not Yet Definite

Will Likely Await Completion of Work on Intermediate Levels

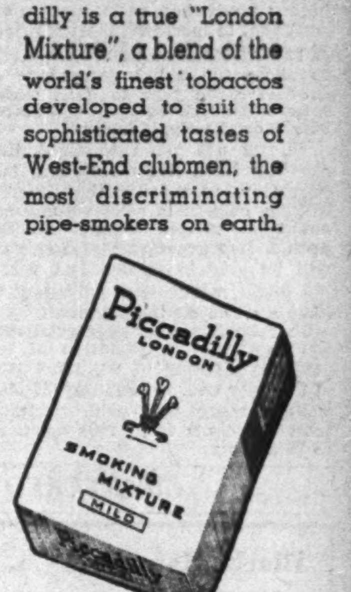
From Our Own Correspondent

WINNIPEG. — Announcement a few days ago that San Antonio was considering increased mill capacity is not news to the mining fraternity. San Antonio has been awaiting some definite result of its sinking to lower levels in the winze now down to the 2,250-ft. level and from which a crosscut has been driven to the ore body, believed to be the downward extension of ore on the 1,500-ft. level.

Widths Up to 30 ft.

A drift has been driven along the vein for 200 ft., exposing widths up to 30 ft., but in general conforming closely both in widths and value to No. 36 vein on the upper levels. Other crosscuts are now being put in from the winze to strike the vein at intermediate levels and it is likely one or more of these will be completed before definite word is given as to the mill size.

Examination of the whole question is being undertaken by an engineering firm and it is considered quite likely that eventually a brand new mill of 250 tons capacity will be built.


A man's first pipeful of Piccadilly is a revelation of what a pipe and a really good tobacco can mean in a man's life. For Piccadilly is a true "London Mixture", a blend of the world's finest tobaccos developed to suit the sophisticated tastes of West-End clubmen, the most discriminating pipe-smokers on earth.

Piccadilly
LONDON
SMOKING MIXTURE
MILD

Patent Attorneys

RIDOUT & MAYBEE
PATENTS - TRADEMARKS
80 Richmond Street West
Toronto - Phone Ad. 0119

LEGAL

C. B. de Boucherville
Barrister and Solicitor
266 ST. JAMES ST. WEST
MONTREAL
Tel. HArbour 1209*

LANG & MICHENER
BARRISTERS, SOLICITORS, ETC.
DANIEL W. LANG, K.C.
D. R. MICHENER C. M. RICKETTS
H. S. DAY E. B. JOLLIFFE
372 BAY STREET, TORONTO
TEL. WA. 2931
CABLE ADDRESS "LAMER"

DAY, FERGUSON, WILSON & KELLY
BARRISTERS, SOLICITORS, Etc.
James E. Day, K.C. Thomas J. Day
Roland F. Wilson, LL.B. Arthur Kelly
H. Emerson Martin John R. Brimage
1116 FEDERAL BUILDING
85 Richmond St. W. Toronto 2

McLAUGHLIN, JOHNSTON, MOORHEAD & MACAULAY
Barristers, Solicitors, Notaries
802 BAY ST., TORONTO
Telephone: ELgin 4217
L. Macaulay, K.C., M.P.P.
H. J. McLaughlin, K.C.
W. W. McLaughlin, K.C.
D. C. Wells R. F. May
H. W. Alles R. H. Soward
L. B. Webster J. M. Magwood

Your Investment Questions Answered Without Charge

As a subscriber to The Financial Post you are entitled to information regarding any Canadian investment that you are interested in.

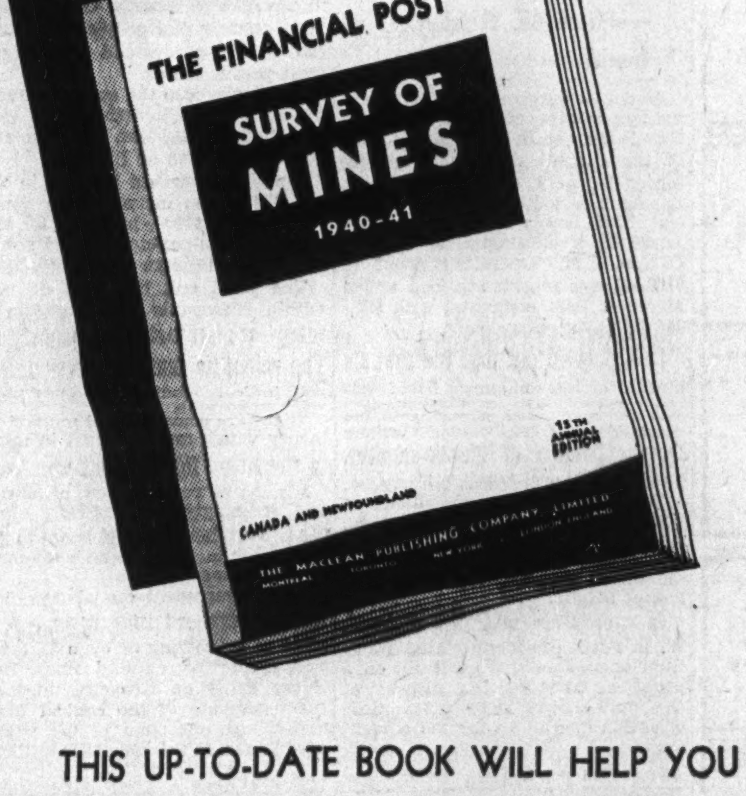
If not already a subscriber, address your enquiry to The Investment Department when sending in your subscription.

USE THIS COUPON

THE FINANCIAL POST,
481 University Ave.,
Toronto 2, Canada.

Please send me The Financial Post for the next year (52 issues). I enclose $5.00.

Name ....
Occupation ....
Address ....F.P.


COMING SOON

1940—41 EDITION

The 15th annual edition of the most complete analysis available of the mining industry of Canada and Newfoundland will be ready for you at the end of October.

On producing companies—a full record of production, costs, earnings, dividends, financial structure and details of directorate and personnel.

Companies under development likewise will be covered in compact, ready-reference style.

Every mining area and every mining camp of consequence will be illustrated by accurate, exclusive, up-to-the-minute maps.

PER COPY
Postpaid $2

THIS UP-TO-DATE BOOK WILL HELP YOU SAFEGUARD YOUR INVESTMENTS

It Tells You:

Where the Mines Are Located
Who Own Them
Who Operate Them
Their Financial Structure
Development Results
Record of Production
Price Range of Stock
Dividend Records
Maps of Areas and Properties
Metal Prices
Facts and Figures About the Canadian Mining Industry

Order Now — in Advance of Publication and Delivery Guaranteed

THIS — ORDER — FORM
FOR YOUR CONVENIENCE

THE FINANCIAL POST,
481 University Avenue, Toronto, Canada.

Send me, postpaid .... copies of The Financial Post SURVEY OF MINES, 1940-41.

Herewith $.................. in payment.

Name ....
Address ....
....
163

Goodyear Sales Much Larger

Domestic and War Sales Offset Exports—Profits Lag in Gains

Goodyear Tire & Rubber Co. sales for the first nine months of 1940 "have been substantially larger than those during the same period in 1939," states A. G. Partridge, president.

Increased domestic sales and orders for war requirements received from the British and Canadian governments have offset the loss in export markets, he writes to shareholders. "An important proportion of the tires required for army service cars and trucks, gun-towing vehicles, ambulances, field artillery and airplanes is being supplied by your company, in addition to substantial quantities of mechanical rubber goods ordered by the War Department."

Discussing earnings, Mr. Partridge points out that "the margin of profit on such orders is, as it should be, very small and this fact, together with heavier taxation as well as higher production costs due for the most part to increased market prices of raw materials, will not permit us to show the usual percentage of profit for the year to date, which your company's increased business would ordinarily indicate."

This is not taken to mean that earnings have not maintained last year's levels but rather that the percentage of gain in sales volume has not been carried through to net profits. It is expected that Goodyear will be able to exceed last year's net profit, which was equivalent to $5.26 a share on the common.

Shareholders thus have good reason to expect continuation of the company's policy of paying extras at the year end. On January 31 last, $2.50 a share was paid, bringing total payments from 1939 earnings to $5 a share.

Putting Over the Next War Loan

Two experts in special fields — Professor Plumptre, monetary authority, University of Toronto, and a merchandising executive of a nationwide business discuss problems of succeeding campaigns for The Financial Post

By MERCHANDISING EXECUTIVE

Judged by ordinary industrial merchandising principles there were two main weaknesses in the war loan drive just completed, and thereby two main opportunities for improvement when the next one comes.

First, the matter of marketing organization.

This year the setup was of a nature which would not be tolerated by any merchandising executive, due to the tremendous duplication of effort.

With all the financial houses in the country having the entire market open to them, none of them could possibly have an adequate incentive toward concentrated coverage of any sales route. Actually the bond dealers seemed to take a strong and unselfish interest in their task but the criss-crossing sales structure seriously limited their sales opportunity.

And there can be no doubt that limited remuneration possibilities must necessarily limit the sales effort on any product. Or to put it another way, regardless of actual remuneration, the confusion of selling opportunity must necessarily influence selling effort even in a voluntary canvassing job such as a charity drive.

Must Be Sold Like Cars

The War Loan drive was not organized as well as the Red Cross appeal, which appears thorough and orderly with a minimum of overlapping.

It may be argued that some industrial products such as cigarettes are marketed almost indiscriminately through a multiplicity of outlets.

But a moment's reflection will indicate that Government War Bonds are more in the nature of specialties such as cars which call for personal canvassing, and thereby a selective distribution plan.

Such a plan was used during the last war and would seem to warrant consideration for the next appeal for funds.

Put it any way you like, if the enormous and duplicated energy were properly directed, it could hardly fail to produce commensurate returns.

This would be at a lower cost moreover, because of the possibilities of pooling resources for the production of hard-hitting promotional material, and because of the sizeable saving in field selling expense.

Failed to Sell Idea

The second weakness, however, appears even more profoundly significant. This refers to inadequate build up or preparation.

The launching of an important consumer product requires careful ground work if the market is to be fully exploited.

On all phases of the war effort it seems that there has been an unfortunate lack of any strong, reiterated statement from our war leaders as to what the ordinary civilian could or should be doing to help win the war. Not even an instruction that the best thing each of us could do would be to carry on our regular jobs as vigorously as possible. No sense of urgent personal participation.

This tended at first toward uneasiness and then indifference which has been noted with some astonishment by Englishmen and Americans. It remained for bond dealers to tell us that this was something we could do, and, of course, their opinions were as private operators and could be construed to have ulterior motives.

Don't Sell Steak—Sell Sizzle

What has been lacking since the first day of the war is well-designed emotional propaganda, which was so strong during the last war and which constituted such an admirable basis for any drive for funds.

Watch the crowds when the band goes by; hear the cheers when the King and Queen appear on the screen, and sense the mass thrill when "God Save the King" is played.

That's the stuff. We all like it, and we all need more of it. Literally more of the good old flag waving, more consideration of the human element.

As one sales professor says—"Don't sell the steak, sell the sizzle."

Minor points might be raised. Some say the posters were dull; that the sales management by the Bank of Canada was too dignified, just a bit high hat. Many feel that both Government and dealers were too sure of success.

This bond issue was intended to appeal to more than the usual run of investors. Therefore a merchandising technique must be developed which will reach a wider audience. One minor feature of such a technique is "informative labelling," which in this case would mean telling the prospect some of the ordinary facts about a bond which ordinarily are unnecessary.

But the main things are organization and dynamic leadership explaining and proclaiming the need for individual participation and sacrifice.

By A. F. W. PLUMPTRE

The third war loan must be made a greater success than the second. Now is the time to consider how to make it succeed.

The recent war loan was unsatisfactory chiefly in the response of the individual "small" investor. "The Little Man Who Wasn't There" he has been called.

If the third war loan, which should make its appearance some time this winter, is to be a greater success the authorities must, before its issue, acquaint themselves more intimately with this "Little Man," They must know what are his financial habits and preferences and reactions, what are his hopes and his fears.

If the next loan is to be a greater success with the small man than the last, some market research must precede its issue.

Recent figures for aggregate savings deposits are $1,613 millions. This seems a large enough reservoir out of which to tap a considerable proportion of a $300 million loan.

But aggregate figures do not tell the story of the position of the Little Men; and detailed figures regarding deposits are only collected annually.

At the end of Oct., 1939, savings deposits totalled $1,709 millions. Of this, $455 millions were held in 3.8 million accounts of less than $1,000. The average account of the Little Men was apparently little over $100—which does not leave much to spare. Since 1939 they may have added to their accounts; but on the other hand, there has been the first war loan, to which Little Men subscribed liberally.

Did The Little Man, with savings which the authorities might mobilize, really exist in substantial numbers when the second war loan was floated?

He probably did; but published figures certaintly do not prove it.

Perhaps the authorities in Ottawa have better figures. Certainly now is the time to improve them, for the annual survey of bank deposits takes place next month. Perhaps the authorities would be wise to get supplementary information about nature of deposits on this occasion. Qualitative as well as quantitative information regarding savings deposits might be obtained.

The second department of market research is closely associated with the first. The knowledge and opinions of those who sold the recent loans must be canvassed.

Third, some survey of public opinion should be undertaken after the fashion of the famous public opinion polls in the United States.

My personal and amateur opinion is that the publicity of the second loan left a good deal of room for improvement, and the same was true of some of the advertising. Posters were inoffensive but of subdued tones.

I do not know why it was so important to draw attention to the fact that this was the second war loan. It made me feel that I had better save up for the 3rd and 4th and 5th. Might the loan not have been called "Battle of Britain Loan"—something less numerical and more inspiring.

As for the slogan, "Buy Bonds to Beat Barbarism! I thought it abstract. We Little Men are not very interested in anything as abstract as barbarism. We are out to beat concrete things such as General Goering and the Germans; real people who interfere in our affairs and who escape from prison camps.

There was also the strange advertisement which told the Little Man how well the Big Man had done and how he ought to do likewise.

Probably it would be well in the Third Loan to include some bonds for less than $100— probably for $50. Even a down-payment of $20 seems rather high to some of us Little Men.

The yield and the term do not, within reasonable limits, matter a scrap—at least that is my impression. The scientific market survey might well indicate whether yield and term were important.

There are some general matters of theory which must be kept in mind in preparing for the next war loan.

It must be remembered, primarily and seemingly paradoxically, that the Government's object is not to get money but merely to reduce the public's spending.

The Government can always "get money" because it may, as an alternative to borrowing or even to taxation, create the required funds. This it can easily do nowadays through the leadership of the central bank and the co-operation of the chartered banks. In this way $200 millions were created in this fashion last autumn.

This process of creation becomes dangerously inflationary only if the public spends and keeps on circulating the newly created funds. On the other hand, if they are willing, or can be persuaded, to build up these funds into their savings deposits, life insurance, etc., and to keep them there—then there is no immediate danger (from an inflationary point of view) in selling larger quantities of bonds to the banks and insurance companies and less to the Little Man.

The anti-spending campaign, however, must be continuous — not merely two or three times a year when a bond issue is floated. That is one reason—the chief reason perhaps—why the present is the proper time to start thinking about the next war loan.

As long as the Little Man saves—refrains from spending all his income—it does not matter to the Government whether he holds the proceeds in life insurance or bank deposits or in government bonds or even in the form of hoarded currency. The saving releases labor and equipment for governmental purposes; and these resources can be bought by means of funds raised from insurance companies or banks or even in the form of newly-issued notes.

On the other hand, from the point of public morale, from the point of view of maintaining the vital personal interest of the Little Man in the war-effort of this country, there is much to be said for a well-organized, bang-up war loan campaign. If the anti-saving campaign has done its work, in between war loan campaigns, there is not likely to be a shortage of funds in the deposits of the Little Men.

If it proves possible to sell bonds to the Little Men on the installment system (i.e. with temporary assistance from the banks) this may enforce increased saving in subsequent months.

But with the general uncertainties of the present, and with the knowledge of greatly increased tax levies ahead, it may be impossible to do much on the installment principle. Experience in the present loan, combined with the market survey already suggested, ought to throw considerable light on this matter.

The continuous anti-spending campaign must be considered separate from the occasional bond-selling campaigns. They require different sorts of advertising and publicity. The success of each, and Canada's resulting war effort, will be greater if the distinction is fully appreciated in Ottawa.

Acme Farmers Profits Up

Six Months Sales Better—Outlook Regarded as Good

Moderate improvement was shown in the affairs of Acme Farmers Dairy, Ltd., in the first six months of the current fiscal year ending March 31, next, as compared with the same period of 1939, The Financial Post learns from an official. Acme is a subsidiary of Eastern Dairies, Ltd. Operating profit of $169,561 was reported in year ended March 31, last, compared with $98,954 in the previous year.

It is pointed out that the first six months of the company's fiscal year is the period of the greatest production and sales, due primarily to the summer ice cream trade. Outlook for the balance of the 12 months, however, is regarded as fairly good.

The company operates plants at Toronto, Napanee and Sydenham, Ont. The Hamilton unit was sold to Silverwood Dairies early this year for about $100,000, representing a loss of $51,690.

In connection with the disposal, W. R. Aird, president, stated Hamilton operations had not been on a profitable basis and that disposal of the unit should have a favorable effect on operations for the current year.

May Halt Jap Domination Of West Coast Fishing

From Our Own Correspondent

VANCOUVER.—If the Canadian Government adopts a more realistic policy toward Japanese fishermen in British Columbia as a result of Japan's tieup with the Axis powers it can count on the approval of the major west coast salmon packers.

Although restrictive measures against Japanese were put in force several years ago, Japanese still dominate several phases of the fishing industry and their control has even increased since the war.

Spokesmen for the salmon industry declare that as a result of the commandeering of many of the largest and best equipped cannery vessels formerly operated by white fishermen, some of the most effective vessels in the business are now in the hands of Japanese, none of whose boats has been requisitioned so far by the Government.

Jap Activity Grows

The result of this situation, coupled with the enlistment of many white fishermen, is that the Japanese influence in the west coast fisheries has been growing steadily, and the percentage of vessels operated by Japanese is believed to be considerably greater than at the outbreak of war.

The boat-building industry, so far as fishing vessels is concerned, is now said to be controlled to a large extent by Japanese whose costs of production are must less than those of white shipbuilders.

While white yards are operated strictly under Government regulations as applied to hours of work and wages, the Japanese boat plants often operate as family concerns and hence are outside labor restrictions. It is claimed that Japanese yards are able to build fishing vessels up to about 50 feet in length, which covers the bulk of the west coast fleet, at about two thirds the cost of the white builders.

CHARTERED ACCOUNTANTS

Black, Hanson & Co.
Chartered Accountants
Winnipeg, Fort William
and Port Arthur

Ronald, Griggs & Co.
Chartered Accountants
WINNIPEG
SASKATOON

W. D. Love & Co.
Chartered Accountants
Winnipeg, Manitoba

Hudson, McMackin & Company
Chartered Accountants
SAINT JOHN and
MONCTON, N.B.
HALIFAX, N.S.

ALFRED WALFORD & SONS
Chartered Accountants
1112-14 Castle Bldg.
1410 Stanley St., MONTREAL
Phone: MA. 3836

Arthur S. Fitzgerald
AND COMPANY
Chartered Accountants
WINDSOR, ONTARIO

RUTHERFORD WILLIAMSON & CO.
Chartered Accountants
Rutherford Williamson, F.C.A. Harold A. Shiach, F.C.A.
Douglas J. Sales, C.A.
TORONTO — MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

OSCAR HUDSON & CO.
CHARTERED ACCOUNTANTS
Head Office – 199 Bay St. – Toronto, Ont.
Telephone ADelaide 2381
Branches—Montreal, Winnipeg, Vancouver

R. D. HILL, BERTRAM & HECTOR
Chartered Accountants
443-4 CONFEDERATION LIFE BUILDING — TELEPHONE ELGIN 3640
TORONTO, 2

SAMSON, KNIGHT & CO.
Chartered Accountants
Licensed Trustees
QUEBEC CITY AND ROUYN, P.Q.

Masecar, DeRoche & McMillan
Chartered Accountants
SASKATOON, SASK.

ROBERTSON, ROBINSON, McCANNELL & DICK
Chartered Accountants
D. H. McCANNELL — Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Hamilton—Winnipeg—Vancouver
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON
R. S. McPHERSON
Licensed Trustees
FEDERAL BUILDING
TORONTO
GALT
KITCHENER

McDonald, Currie & Co.
Chartered Accountants,
Licensed Trustees & Receivers
MONTREAL TORONTO QUEBEC OTTAWA

MAKING FRIENDS OF THE JONESES

THERE's a lot of talk, today, about "public relations." You may have looked into this matter, or it may still sound to you like something somebody else ought to do something about. "Public relations" means, in the simplest sense, making friends of the Joneses—and the Smiths—and the Browns. As a seller of service or merchandise to the Joneses and the Smiths and the Browns, is there anything *more important* to your firm than their friendship?

If yours is a large firm, ten to one the Joneses don't like you. This is not your fault . . . the sad fact is that the Joneses distrust "big business," they deal with it grudgingly, out of economic necessity. "Big business" is today facing this fact . . . breaking down barriers of animosity and distrust . . . improving public relations.

Radio is the ideal public relations medium. Radio gets right into the Jones family circle . . . talks to the Joneses while they eat their meals and sit around their fireplace . . . entertains and instructs them . . . makes of your remote "big business" a trusted friend. This is what radio *can* and *will* do for you when capably handled. Discuss this with your advertising agency—they will be glad to suggest how you may meet and make friends of the Joneses through the medium of radio. All-Canada stand ready to co-operate by supplying the necessary information on time, rates, station coverage and all the technical details, and if required, will gladly audition a programme for consideration.

ALL-CANADA
ALL-CANADA RADIO FACILITIES
Limited
Montreal - Toronto - Winnipeg - Calgary - Vancouver
Exclusive representatives of leading stations from coast to coast

"You Wouldn't Hire A Sissy
to dig a ditch . . ."

says a recent International Harvester advertisement — "You'd get a two-fisted he-man who could stand the gaff . . ."

And the same goes for doing a heavy-duty job in advertising!

International Harvester, like other successful advertisers, have taken advantage of Maclean's "two-fisted" editorial strength for years . . .

. . . Editorial strength as exemplified this year in crusades that produced a tremendous response . . . as well as Maclean's news behind the news, its top-flight fiction, and a wide variety of topics eagerly read by tens of thousands.

Advertisers know that this editorial strength carries over into advertising, packing it with extra sales power . . . power that helps salesmen and dealers all along the line.

You are missing a chance to add extra power to *your* advertising if Maclean's is not the "main spark" of your campaign. On every count — circulation, buying power and reader response, Maclean's rates first place on your national schedule.

5¢ a copy
Maclean's
CANADA'S NATIONAL MAGAZINE

a POWER in Your Industry

THE MACLEAN PUBLISHING COMPANY, LIMITED
481 UNIVERSITY AVENUE, TORONTO, CANADA
MONTREAL • LONDON, Eng. • NEW YORK • CHICAGO